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Sanford Weiner & Aaron Wildavsky

The Washington Novel — *Stephen Miller*

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Why Government Grows (and Grows) in a Democracy — *Allan H. Meltzer & Scott F. Richard*

The Breakdown of the Keynesian Model
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The prophylactic Presidency

SANFORD WEINER & AARON WILDAVSKY

Most decisions are reactions to what has already happened. When evils are perceived, we attempt to mitigate them. Then our security depends on our capacity to cope with changing circumstances. Suppose, however, that collective confidence wanes, either because of decreasing trust internally or increasing menace from without. The institutions through which people relate may be in such disrepute or the environment perceived as so precarious that the slightest error could ramify throughout the system to cause catastrophe. In this situation we would need to anticipate difficulties from which we could not recover, rather than just reacting to those that can be overcome. Now, the evils that do appear are limited, if by nothing else, by our capacity to recognize them. But the nightmares that might occur are potentially limitless. Shall we err by omission, then, taking the chance that avoidable evils might overwhelm us? Or shall we err by exhaustion, using up our resources to anticipate evils that might never happen, in order to forestall those few disasters that might actually do us in?

The vision of a prophylactic Presidency has its rationale in preventive planning; it answers these questions by projecting an anticipatory democracy. Planning is being offered once again as the

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solution for government's inability to prevent the crises of recent years—in energy, in the environment, in economic policy. Proposals inevitably center on the Presidency, the only institution that is also a person. Demands that the President become more of a planner have come from many quarters. A national committee of prominent businessmen, labor leaders, politicians, and academics, whose co-chairman was Nobel Prize winner Wassily Leontief, issued a planning manifesto. Senators Jacob Javits and the late Hubert Humphrey introduced a bill embodying the committee's ideas, and the Senate then held well-publicized hearings. A planning scheme was also incorporated into the Humphrey-Hawkins "full employment bill," which became a prominent part of the Democratic platform in 1976. Conservatives, including economist Herbert Stein, have responded to such initiatives with their own speeches and articles denouncing the whole idea.

However, this article is not about the desirability or feasibility of planning. For if we take the most common definition of planning —action taken now to achieve better future results—then everyone favors it. The trouble is that wielding a definition cannot solve a problem, but only restate it. To say "Let's plan" does not tell us who should plan or how, what a plan will contain, whose interests the plan should serve, or what the consequences will be. Planning conceals unresolved conflicts about power, knowledge, and purpose.

Demands that Presidents become planners lead us to unsettled questions about the power and purpose of the Presidency itself. We intend to use the concept of planning, then, to illuminate unresolved conflicts about the appropriate functions of the Presidency in American life.

The planners' vision

What makes planning attractive to its advocates? What is a good plan, and what benefits should it bring about? First, through good planning, future problems should be more readily foreseen in the present. Henry Ford II, for example, told *The New York Times* that recent shortages in the supply of metals and other industrial materials "could have been anticipated if there had been planning." George Meany is one of many who expect planning to anticipate society-wide crises, even a decade in advance:

> We need long-range economic planning and priorities to minimize unforeseen major developments and reduce the degree to which American society has stumbled and fumbled along in the past few years . . .

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the United States was not prepared for the urban crisis of the 1960's, which could have been foreseen by sensible long-run economic planning in the 1950's.

But anticipation is only half the effort. Planning also is meant to include control of the future by current action. According to the advocates' manifesto ("The Case for Government Planning," in *The New York Times*, March 16, 1975), "planning can spare all of us the sense of helplessness we feel as the economy drifts from crisis to crisis and replace frustration with a sense of hope, with the conviction that we can, in fact, exert some control over our affairs." This control escalates quickly from a point of satisfaction to a matter of duty. Not only is planning "an economic and social necessity," but, for Leonard Woodcock, of the United Auto Workers, "It is a crime to allow millions of workers to lose their jobs because we refuse to plan." For Wassily Leontief, planning unites the themes of anticipation and control; it is the "preventive medicine" that the country should take to "inoculate itself against forever repeating the same miserable mistakes." Thus its champions see planning as essentially prophylactic—a technique to foresee and forestall future evils before they have manifested themselves.

To achieve these aims, moreover, special mechanisms must be established. Planning advocates believe in a technocratic process embodying comprehensive rationality to override the messy, decentralized political institutions that now make decisions. As their manifesto puts it: "We leave so much to chance. Instead of systematically trying to foresee the needs of the nation in years ahead we have dozens of separate uncoordinated agencies making policy." Planning is thus conceived as a direct antidote to politics ("Planning could help us look beyond the next election"); ultimately, it is supposed to embrace all governmental decisions. To advocates of comprehensive planning, everything becomes relevant: Energy, housing, and transportation are "obvious examples" of policy areas in need of planning. But (the logic is inescapable) "a planning office cannot look at energy alone, transportation alone, housing alone, or at any other sector of the economy in isolation; all these sectors interact. . . ."

Robert Dahl has recently described how initiatives for activist reform in America naturally focus on the Presidency: "The Presidency became the institutional center from which a majority coalition . . . would be mobilized, organized, and given voice." Advocates of planning contend that their Office of National Economic Planning "must be set up at the center of our economic and political

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life . . . within the White House." Nor will it be just one more high-level advisory body. Planners envision an office that will dominate all existing institutions, with its director as the President's chief economic advisor, and its six-year plan as the guiding document for the executive branch. The President, through this planning office, would oversee implementation of the six-year plan in all major policy areas throughout the bureaucracy. A felt need for more control over the future has thus led to a call for greater central control in the present, and—inevitably in our system—to demands that the President be responsible for it.

The plan in action

How would this restructured Presidency function? And would we like a prophylactic President if we had one? To meet these new demands, the President would have to become our great anticipator—first foreseeing evils hidden in the future, then forestalling them in the present. But carrying out this dual role would require shifts throughout the political system that are only implicit in the planners' design. If we demand that Presidents avoid future evils, we cannot then deny them the power to act on their personal foresight.

This logic rings a faint but still familiar bell. In the era before Vietnam, similar deference to superior Presidential foresight was called "bipartisan foreign policy." At that time, the future evil was expected to be Soviet expansion towards world domination, which called for American containment around the world. In such a complex and perilous situation, it was argued, only the chief executive could anticipate the measures needed to forestall future Soviet gains. Domestic differences had to be submerged in favor of Presidential judgment on the Marshall Plan, the Truman Doctrine, NATO, SEATO, etc. (These warnings may have been well taken, but, despite Vietnam, no one can be sure even now that Soviet behavior was accurately foretold.)

The analogy is relevant because the full flowering of the planners' vision today would be the domestic equivalent of this cold-war situation. Indeed, as Harvey Sapolsky has pointed out, the key to the notable "success stories" of systematic planning—the Polaris submarine and the Apollo landing—was actually the strength of that cold-war consensus, which made those projects unchallenged national priorities. The impetus behind the new call to swift, centralized action is again the domino theory—now generalized to include the evils of domestic policy. In the past, we feared that an

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unfriendly regime in Laos would bring the inevitable "fall" of Vietnam and Cambodia, which in turn would undermine Thailand, then the Philippines, then even Japan or West Berlin. Our alliances appeared to be a tightly linked, volatile system, in which every action transmitted a cumulative impact, so that if the initial evil were not countered, the international system would explode.

Nowadays, after Vietnam, one may ask who still believes in this sort of system. Why, none other than environmentalists (among others), who see nature's tightly linked but fragile systems threatened with catastrophic consequences if wetlands are dried out, or the ozone layer depleted. When all systems are interrelated, a single mistake opens the door to cumulative evils. So just as in the past, each action in the proposed planning system is inextricably linked to the next. The variety of areas to which such a domestic domino theory might be applied are evident in the numerous calls for impact statements. Inflationary-impact statements may have lapsed with Gerald Ford, but energy, health, research, and safety statements are all on the planners' agenda. Environmental-impact statements are now required for the smallest governmental activities. As we write this, the city of New York is processing a 50-page environmental report, pursuant to Federal regulations, for turning one vacant lot in Flatbush into a playground. (There even has been a proposal that planning itself should be subject to *planning*-impact statements.)

Understanding the impacts in any one of these areas could be effective. But identifying impacts is essentially a claim for special priority. To include all possible impacts makes for a world of all constants and no variables, with no room for trade-offs, bargaining, or judgment.

Anticipatory democracy

When all policy areas are subject to interrelated impact statements, we would achieve an anticipatory democracy. Each policy area would then take on the characteristics prominent at the height of the cold war: secrecy, "cooperation" with or deference to executive leadership, and an insistence on the moral authority of the President to make (unending) crucial choices. A prophylactic Presidency, in fact, could succeed only if it were invested with enormous faith (action in the absence of things seen), for that is what is required to trust a leadership acting to control dangers that cannot yet be observed by the rest of us.

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President Carter's energy program, for example, might be a blueprint for anticipatory democracy. As reconstructed by *The New York Times*, "the plan was conceived in secrecy by technicians," and it "reflected a detached, almost apolitical attitude." The Secretary of Transportation was not privy to the plans for automobile taxes, and even senior economic officials were in the dark until the last minute. The atmosphere "was one of wartime urgency." Schlesinger and his aides "functioned as if they were a self contained unit and their task as hush-hush as the Manhattan Project."

The program that came out of this process was presented to the public in exactly the same spirit. The key to the plan, noted Richard Rovere, "was to convince the public that a crisis existed or, at least, was imminent, and that a failure to meet it with a 'comprehensive' policy would invite 'national catastrophe.' " It was thus entirely consistent with the overall approach for Carter to summarize the proposal as "the moral equivalent of war."

These hallmarks of the prophylactic Presidency—secret and centralized policy making coupled with demands for urgency and faith —appear (in less virulent form) in several other recent experiences. The decisions about swine-flu vaccine, for example, also took place swiftly and privately. Congress and the country were informed only after President Ford had committed himself to the new vaccine. Then, again in an implied atmosphere of emergency, Congress was bidden to ratify the President's decision before the impending evil arrived. No independent evaluation was asked for or achieved.

As the saccharin decisions made clear, the goal of forestalling future risks has been pursued so actively by Congress that it has been crystallized into law. By statute, the Food and Drug Administration (FDA) must ban each food substance showing any trace of carcinogenic properties in animals. By legislation, a two-step scientific extrapolation is thus frozen into place: first, the assumption that any cancer found in animals will be similarly produced in humans; and second, the assumption that the incidence of cancer produced in a few animals by very high doses (the normal testing procedure) is equivalent to the incidence that might be found if large numbers of animals received normal doses. Such data can only be evaluated within a larger scientific context, in which overall risks can be weighed against benefits. When benefits vary with the individual, as with saccharin, only the individual can properly judge the trade-offs. But the FDA is given no discretion to consider ambiguous (or even contrary) scientific evidence, economic costs in relation to probable benefits, or public opinion. Under the law, a

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showing of potential carcinogenic danger, no matter how uncertain, produces immediate action. (It took special legislation to exempt saccharin long enough to conduct further studies.)

The ideal prophylactic Presidency would receive warnings far in advance, so planning and action would take place calmly in the open, rather than urgently in secrecy. The only difficulty is that omniscience and omnipotence would be required—vast predictive ability and an even greater capacity for control. But this suggests that the notion of the prophylactic Presidency is inherently self-contradictory. If we did know what would or would not cause serious problems, we could pinpoint our concerns; the rationale of the prophylactic Presidency, however, is precisely that we do not know (and are unlikely to agree about) what will happen, whether government should intervene, and, if so, how. The sense of urgency is thus necessary because it is essential to convince people to act in the absence of compelling evidence.

This pattern might be called the collectivization of risk: Citizens may not choose what dangers they will face. Individual judgment and choice are replaced by governmental action to ward off automatically potential evils before they materialize. Yet if Presidents act to avoid every imagined evil, where will their control end . . . or begin?

Four types of Presidencies

We have presented the prophylactic or preventive Presidency as an ideal type, its features purposefully exaggerated to stand out in bold relief. The prophylactic type can also be compared with several other Presidential models. The apparent opposite of the preventive Presidency is the reactive Presidency, which would try to deal with problems after (rather than before) they showed up. Information costs would be lower, because the President would be responding to problems instead of trying to anticipate them. Political costs would be mixed: On the one hand, because problems would be apparent, it would be easier to mobilize consent; on the other hand, because the evils would already be experienced, discontent might reduce political support.

Both prevention and reaction, however, only describe Presidential decision making—that is, determining which problems are accepted or rejected as worthy of solution. We also need to understand an explicitly political dimension of the Presidency, focusing on power —the mobilization of consent. The dualism inherent in the office

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has never been between action and reaction, as if the matter were one of individual vigor; the question instead concerns the relative domain of the institution. The political problem is whether the Presidency is to remain the one institution that steps in when all others fail to function, as so often in recent times, or whether it will be content to perform only its essential functions.

A pluralist Presidency operates in a constitutional context (as Richard Neustadt put it so well) of separated institutions sharing powers. The purpose of the office is to perform tasks especially entrusted to the executive, without responsibility for the functioning of other institutions; when there is disagreement, the Presidency is not required to coerce the others. The pluralist Presidency is only one part of a larger whole in which interaction (hence the stress on compromise and bargaining) is more important than individuality. All elements of the system, not only the Presidency, have legitimate mandates from the people.

California Governor Jerry Brown illustrates this kind of executive in pure form. Brown was the first to apply the norms of both more equality and less consumption to government—hence balanced budgets and salary increases for state employees in absolutely equal (instead of proportional) amounts, to help those worst off economically. A cartoon showing a motorist approaching the California border and gazing at a sign reading "Depress Expectations" captures the prevailing impression that the Governor is telling people what they have long known—that government cannot make them happy.

The Governor also expressed an idea about proportioning responsibility. Just as government was not properly responsible (i.e., should not be held accountable in public) for the state of society, which has its own inner dynamics, so too the governor, as chief executive, is responsible for his own actions (hence Brown's refusal to live in the opulent new mansion), but not those of his legislature. If, after reasonable activity on his part, the legislature refused to share his views on farm labor, Brown would wait until a more propitious moment for agreement. For a time, then, Brown could accept stalemate as proper.

According to James Sterling Young, the theory expressed in *The Federalist* (though no wholly authoritative interpretation can be given) suggests that stalemate was both possible and proper until the President and majorities in the House and Senate were in agreement. Justice might be divine, but transient majorities were not. The framers hoped that time would cool passion, size would dilute it, and institutional invention confound it. In this way, no interest

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opposed to most men's ideas of justice would last long enough to prevail. About defense, to be sure, the framers were more concerned and gave Presidents larger powers, but they stressed that Congress must declare war or supply the armed forces. To prevent or to prepare for war, Presidents were made Commanders in Chief, but the act itself—the power to declare and wage war—was not given to them alone.

Several recent Presidents, by contrast, have operated on the assumptions of a different model, in which superior authority, instead of stalemate, characterizes political relationships. This predominant Presidency tries to overcome obstructions created by other institutions and assumes the right to step in when they fail to function, on the grounds that the Presidential electoral mandate—the only one derived from all the people—has the most legitimacy. The predominant Presidency, when thwarted, therefore feels free to go over the heads of other institutions by renewing this mandate, in an attempt to force compliance. Such a situation typically arises now because mankind has achieved greater control over its natural and social environment. In practice, this increased power is gained only at some cost, and the new technology presents society with new choices. Quite often the trade-offs are obscure or unrecognized —as with the belief, long held in the West, that appropriate fiscal policy could cure mass unemployment with no real costs (such as inflation, loss of social confidence, and dependence on government) to the political economy. Even when the nature of the trade-off is appreciated, political institutions may be inadequate to resolve the resulting conflict of interests. This is what is meant by "overload" of political institutions.

The naive solution to this problem is simply to increase the amount of power enjoyed by one of the decision-making institutions in the system, so that the President or Cabinet can enforce the particular trade-off chosen. Since government in a democratic system does not and should not have such power in normal circumstances, the authorities are forced to make circumstances appear abnormal—by inventing crises and impending catastrophies to justify an extension of their power.

Of course, the prophylactic Presidency is only a model, and an extreme one at that. No one expects the Presidency to become prophylactic in all areas all at once. The question is one of proportion and degree. The struggle of a preventive Presidency against its pluralist heritage is now in the making. The prophylactic Presidency, combining prevention with predominance, would make huge

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demands for knowledge and power. Knowledge is necessary for anticipation; it takes power to support broad-gauged policies. The demand for knowledge suggests that those who can produce it will be favored. The demand for power means that institutions other than the Presidency will be threatened.

What will the fight be over? Money, naturally. The politics of prevention is expensive. The cost of anticipating evils, whether or not they materialize, is enormous. (Biologists tell of organisms that die not so much because of invasion by lethal foreign bodies but rather because the attack arouses all the defense mechanisms of the organism at once, thereby leading to annihilation by exhaustion.) Ways must be found, therefore, either to raise huge sums by taxation or to get citizens to bear the costs personally. By asking who benefits from (as well as who pays for) the prophylactic Presidency, we should better be able to predict its future patterns of action.

The politics of prevention

The purpose of the prophylactic Presidency is to ward off evils, as yet unseen, by spreading the risk around. Who gains from this collectivization of risk?

Seeking to provide protection without visible taxation, the prophylactic Presidency is likely to rely heavily on what we might call "market socialism," thereby adding new impetus to an already powerful social trend. Instead of appearing directly in the government budget (to be supported by taxes and borrowing), costs are passed on to consumers indirectly through higher charges to producers. Indeed, costs may even appear as government revenues—taxes on business—that are also ultimately passed on to consumers. When new safety standards are imposed, for example, governmental expenditures (usually just for inspectors) appear relatively small but larger costs are incurred by industry on more equipment, additional safety supervisors, and new tests that become part of production costs. Naturally, the consumer identifies the company rather than government with higher prices. Think of regulations about housing density, insulation, safety features, and the like: Each raises the cost of housing, diffusing it among the population, with only a few inspectors charged up as governmental expenditure. Finally, consider the proposed effluent charges: By placing a tax on pollution, government would try to make it worthwhile for producers to reduce levels of noxious substances without direct regulation.

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Producers who preferred not to spend money cleaning up streams would shrug their shoulders at government imperatives and, in effect, become tax collectors by passing on those charges to private citizens.

Market socialism is the name for this reverse-tax process. Arthur Okun has cited examples of how strong this trend already is:

> Our chance for some net relief from inflation has been reduced by a new wave of legislative actions that add to particular costs and prices. [In addition to higher payroll taxes] . . . the minimum wage seems slated to move up from $2.30 to $2.65 next year. The first installment of the wellhead tax on crude oil is scheduled to take effect in 1978. Government farm programs reinstituted acreage cutbacks—deliberately reducing the productivity of our agriculture. Many of these cost-raising measures have some justification. No one of them spells the difference between price stability and rampant inflation. But, in combination, they may well add 1.5 percent to the inflation rate by late 1978.
>
> Reliance on such measures is nothing new, but their total magnitude does set a new record. The Congress may have been tempted to load costs on the budgets of consumers and employers in order to avoid loading more onto the Federal budget. In several of these areas, the President initially advanced proposals that were admirably restrained but then compromised in the face of strong political opposition. (While some of the press welcomes such instances as evidence of the President's education in the ways of Washington, I cannot share the enthusiasm.) Meanwhile, the financial and business community has been so preoccupied with Thursday afternoon reports on M_1 and Federal deficit reestimates that it has missed the big new inflationary game in town.

As a solution, Okun suggests his own form of impact statement:

> No net Federal cost-raising. First, the Administration should set a target of zero net cost-raising measures for 1978, and should report quarterly to the American people on the achievement of that target. Any new cost-raising governmental action that imposes higher labor costs on employers or higher prices on consumers would have to be neutralized by a Federal cost-reducing measure—lightening the burden of some regulation or providing a cost-cutting subsidy.

But if we are correct, his advice is unlikely to be taken.

The chief concomitants of market socialism are low visibility, capital intensity, and social selectivity. Consider, first, low visibility; market socialism blurs cause and effect between public and private sectors. Which sector, for instance, is responsible for increased housing costs? Which sector inflates the cost of safety features in manufacturing? Suppose, to make the contrast vivid, government closes down a plant because it is unsafe for workers or neighbors. Everyone can see what is happening. If workers and neighbors

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prefer existing hazards to threatened unemployment, they might be able to exert their will. Suppose, however, that environmental and safety regulations prevent a projected plant from locating in such a low-income area, shifting it instead to a more affluent suburb. No one would know that the location had been passed over, thus imposing costs on residents who wish employment. It is harder to mobilize support for something that did not take place than for something about to be taken away.

Allied with low visibility is the widespread displacement of costly effects onto unsuspecting (and unconsenting) adults. Take the well-known issue of drug lag: Because of extensive trials and procedures, for levels of safety difficult to prove, some drugs may not be developed at all, while others are produced only after a delay, or come at a higher cost.

Who wins?

These considerations suggest that a prophylactic Presidency (with its tendency to spread risk through market socialism) will not have the same impact on different social and economic strata. The lower classes—with no car or a smaller one, and less income to absorb price increases—will not do so well. The very people who are supposed to benefit from the collectivization of risk will turn out to be losers. Why this should be so, and how the underlying mechanism works, should be clarified by investigating the other side of market socialism—its capital intensity and social selectivity.

What happens when government seeks to anticipate a wide variety of risks or to mitigate those that do exist? Less money is available for investment to create future jobs, or for current expenditure to support current jobs. To some extent, there is a substitution effect, as jobs devoted to production give way to jobs supporting safety. (Whatever happens, the price goes up, because consumers pay for safety whether they want to or not.) The latter jobs, however, go to middle-class professionals and technicians, lawyers, inspectors, etc., who displace production workers. Companies have no choice, under government regulations, except to hire middle-class workers to perform necessary regulatory functions. In this, there is a certain justice: The politics of prevention is a style of governing suitable for people who already have more than enough and want to safeguard it. Why shouldn't they make jobs out of preserving their way of life? (In the United States, the environmental lobby is often allied with the New Left, in Britain with the Far Right. The Far

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Right is probably more perspicacious in this regard than the New Left. For the environment is difficult to separate from the social structure that has produced it. You start by protecting the parkland, you go on to protect the palace in the park, and you end up by protecting the duke living in the palace.)

Now that we know who gains economically from prophylactic politics, it remains to be asked who is in the best position to profit politically. The answer is those who run it and those who run on its platform. Who is most capable of anticipating evil in order to eliminate it before it can get started? Imaginative intellectuals, otherwise known as theorists or model-builders. The heyday of large-scale systems analysts, with their computer-simulation models, will have arrived. What happens inside those models, which is difficult even for experts to perceive (because of the interaction of myriads of variables), will be much more important than whatever can be seen from the outside (as with the decisions concerning swine flu, saccharin, and so on), because the object of public policy is not to correct but to prevent. Who loses? People who trade in common sense, because the purpose of the systems-analyst approach to public policy is precisely to avoid (unpleasant) experience.

What kind of political party could make most use of the politics of prevention? Its composition would be upper-middle-class and upper-class, because maintaining old amenities would be more important than creating new ones. Members of this party would oppose compromises maintaining production and employment, because compromises exhibit the very mentality—of waiting until evils surface before correcting them—against which they have organized their struggle. Only a party of purists—no risks, no compromises—would promote a prophylactic Presidency. Such a party, therefore, would need principles to unite members who otherwise might split into different kinds of professional, ethnic, or partisan groupings. Decision making would approach the unanimity principle. By necessity, policies would be procedural—one man-one vote, open hearings, periodic review of all programs, publication of assets by office holders, legal due process—because it is easier to get agreement on how to act than on what to do.

Thus far, the closest approach to a party of purists is the public-interest lobbies, Ralph Nader's various organizations, and Common Cause. But they are not political parties, and quite rightly so; these groups oppose political parties because parties cannot be pure. Public-interest lobbies have made it their mission to weaken every other intermediary organization standing between government and citi-

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zen. Such intermediaries cannot be pure, since they bargain over the substance of legislation designed to benefit certain groups at the expense of others.

Only if there is a larger domestic product, providing more for everyone—or more for some, but not less for others—can severe social conflict be mitigated. But this would mean putting resources into production, not prevention. Hence, a no-growth ethic fits well with prophylactic politics. To be sure, there could conceivably be "more productivity and more safety." But unless cost and safety complement each other, there is likely to be an inverse relationship. It is at the margin—where experience is beginning to show that large expenditures lead to little improvement—that small increases in safety work against large increases in productivity. The struggle over who should pay for the politics of prevention, therefore, is likely to aggravate conflicts among institutions over who should rule—i.e., over whether a pluralist Presidency should become more predominant.

The Federal stalemate

Demands for the President to become planner-in-chief call for a radical redistribution of power within the Federal system. Since planning assumes power, behind the facade of planning without politics stands a President whose power will allow no opposition.

Consider, for example, the full implementation of the swine-flu decisions. While the Presidentially-proclaimed emergency carried the day with Congress and much of the press, other actors were not so easily swayed. State and local health departments were responsible for the actual inoculations. These institutions have their own resources and constituencies and need not be responsive to the President. As a result, there was extreme variation in local activity and thus in the proportion of the total population reached—ranging from over 70 percent in Wyoming to less than 20 percent in New York City. Massachusetts declined to conduct any mass campaign at all.

Drug companies, the major interest group involved, played a key role. For several months they declined to schedule full-scale vaccine distribution—until Congress accepted the precedent that government rather than the companies would be liable for any subsequent damage suits. And the armed forces went their own way, rejecting the vaccine recommended by civilian scientists in favor of a different type (with higher immunity but more side effects).

A fully established prophylactic President engaged in forestalling

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evil could not have tolerated any of these deviations once an emergency was recognized; he would need French-style prefects in place to carry out orders, not question their value. Nor could interest groups be allowed to trade issues of value in return for cooperation. Negotiations take time and compromises weaken the consistency of the plan. Most of all, prophylactic Presidents would have to make the Federal bureaucracy responsive: Who else would follow a path that the President's own troops openly abandoned?

But all those independent actors are worse than mere inconvenient obstacles to Presidential rationality and control—they are the heart of the Federal system. As Martin Landau has written, the essence of Federalism is overlap and redundancy:

> What appears is a truly messy system—one that is anathema to our prevailing conceptions of a viable organization. There is no unity of command, and there are no unequivocal lines of authority. Domains overlap, jurisdictions are confused, and accountability is dispersed. And for each citizen there is, at least, two of everything. . . . Virtually every aspect, every feature, every agency, and every structure of government was duplicated and still redundancy was not exhausted.

The crucial point, not acknowledged by advocates of planning, is that this system was *intended*—in fact, planned. But it is planning with a different aim: to foster choice through careful structuring of social interaction.

This complex, messy system is a permanent challenge for those who see rationality in hierarchies. The model of social interaction implicit in the planners' vision does not work for the varied intermediary groups that characterize our political system: political parties, Congressional committees, interest groups, states, semi-autonomous agencies. None of them is needed if cognitive calculation can provide one best choice, and all stand in the way of the "direct" relationship between a prophylactic President and the people.

The "Federal stalemate" will not appeal to those who want or need to improve their position. Intermediary groups are part of power structures; they reproduce relations of equality or of dominance. Their combined functions may be inimical to rational choice (i.e., pluralist stagnation) or the realization of greater social justice. Another solution—more rather than less intermediation—would be not to eliminate struggle but to restructure it to produce more equitable outcomes. Our argument is not that intermediate structures deserve unqualified praise, but that a wholesale politics of prevention may be an unmitigated disaster.

The potential political consequences at stake in these competing

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models can be seen if we consider the extreme case—if our political institutions were indeed reshaped to eliminate duplication and to promote uniformity. First, the executive and the legislature would not need staggered electoral terms, nor different constituencies, nor for that matter separate forms of representation. One set of members could serve all roles, as in the British Parliament, which the new American government would then resemble.

The British parliamentary system, however, has evolved a set of informal norms to diffuse the enormous pressures that a unitary system would otherwise channel to the prime minister at its center. British government is a federation of departments. Individual ministers themselves take responsibility for departmental choices, and the cabinet collectively, not the prime minister, is in charge of major decisions. Strong programmatic parties also serve as an independent focus for policy making.

A prophylactic Presidency, unprotected by British conventions, would face increased pressures towards the center with fewer buffers than before. For as we have said, no President can assemble the knowledge and power needed to control all future dangers that he would be held responsible for thereafter. What if we run short of oil, for example, even after a master energy plan has been implemented? At the same time all those unruly intermediary groups, which now serve to buffer the expectations directed toward Presidents, would be undercut. Such groups would be too strong to be taken over and too weak to share responsibilities that could overwhelm Presidents. Hence the planners' model, seeking to impose centralized choice in place of social interaction, would be most likely to disrupt the interaction instead. A prophylactic Presidency, enmeshed in the remains of a Federal system, could well combine the worst aspects of both.

Yet Watergate notwithstanding, demands for increased Presidential power are bound to grow. Left-wing opinion is momentarily immobilized between the fear that excessive power will crush liberty and the concern that the executive may become too weak to implement social programs. The Right is divided over whether to stop at the present level of government expenditures, thus accepting higher amounts than seem desirable, or to attempt to drive spending down, thus courting disaster at the polls. Conservatives might be willing to give up a strong Presidency in domestic policy, where the less done the better, but not at the expense of strong leadership in defense and foreign policy.

The concept of the prophylactic Presidency, of course, is intended

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to push certain trends, now only dimly perceived, to an extreme conclusion. The prophylactic Presidency reflects a lack of confidence in existing social relations. People who trust one another and the institutions through which they interrelate will have enough self-confidence to deal with most difficulties and faith to follow leaders in trying to head off a few evils before they occur. When trust declines, confidence declines, and the need for leadership increases. More clues to the future of the Presidency will be found in how we-the-people feel about ourselves than in what Presidents do to (or for) us.

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The breakdown of the Keynesian model

PAUL CRAIG ROBERTS

THERE is much talk these days about "the crisis in Keynesian economics." That some such crisis exists is evident from the bewilderment and impotence our economic policy makers are displaying in their confrontation with economic reality. But what exactly is the nature of this crisis? What went wrong and what can put it right?

The answer, I would suggest, is almost embarrassingly simple. Today in the United States, public economic policy is formulated in bland disregard of the human incentives upon which the economy relies. Instead it is based on the Keynesian assumption that the gross national product (GNP) and employment are determined only by the level of aggregate demand or total spending in the economy. Unemployment and low rates of economic growth are seen as evidence of insufficient spending. The standard remedy is for government to increase total spending by incurring a deficit in its budget. GNP, it is believed, will then rise by some multiple of the increase in spending. Keynesian economics focuses on estimating the "spending gap" and the "multiplier" so that the necessary deficit can be calculated.

This view of economic policy is enshrined in the large-scale econometric forecasting models upon which both Congress and the

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Executive Branch rely for simulations of economic policy alternatives. It is a view that is extraordinary in its emphasis on spending. True, it is obvious that if people did not buy, no one would produce for market. It also seems obvious that the more people buy, the more will be produced and, therefore, that the use of government fiscal policy to increase total demand will increase total production or GNP. All this is so obvious to Keynesians that they believe any fiscal policy that produces an increase in government spending, even a spending increase matched by a tax increase, will produce an increase in GNP.

The concept of the "balanced-budget multiplier" illustrates the primacy that Keynesians give to spending as the determinant of production. According to this concept, government can increase total spending and, thereby, GNP by raising taxes and spending the revenues. The reasoning is as follows. People do not pay the higher taxes only by reducing their spending (consumption); they also reduce their savings. Therefore, when taxes are raised, the decrease in private spending is less than the increase in government spending. Conversely, a cut in tax rates, matched by a decrease in government spending, would result in a reduction in total spending (i.e., saving would increase), a fall in GNP, and a rise in unemployment.

For years after the 1964 Presidential election, college students were asked a standard question on economic exams: What would happen if Barry Goldwater's prescription for a tax cut, matched by a spending cut, were implemented? They missed the answer if they did not reply that there would be a reduction in aggregate demand and, therefore, a fall in GNP and employment. Alas, for too many policy makers that is still the answer.

Since the "balanced-budget multiplier" implies that the greater the increase in taxes and in government spending, the greater the increase in GNP, it is a wonder no one ever asked what happens to production as tax rates rise. This question confronts economic policy with the incentive effects it has disregarded. It should be obvious even to Keynesians that when marginal tax rates are high, people will prefer additional leisure to additional current income, and additional current consumption to additional future income. As work effort and investment decline, production will fall, regardless of how great an increase there might be in aggregate demand. Such a recognition of disincentives implies a recognition of incentives, and Keynesians are gradually having to rethink the answer to their standard question about Barry Goldwater. Once one recognizes that people produce and invest for income, and that income depends on

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tax rates, one has reached the realization that *fiscal policy causes changes not just in demand but also in supply.*

The economics of supply

The economics of spending has thoroughly neglected the economics of supply. On the supply side there are two important relative prices governing production. One price determines the choice between additional current income and leisure; the other determines the choice between additional future income (investment) and current consumption. Both prices are affected by the marginal tax rates. The higher the tax rates on earnings, the lower the cost of leisure and current consumption, in terms of foregone after-tax income.

As an illustration, consider the decision to produce. There are two uses of time—work and leisure. Each use has a price relative to the other. The price of additional leisure is the amount of income foregone by not working, and it is influenced by the tax rates. The higher the tax rates, the smaller the amount of after-tax income foregone by enjoying additional leisure. In other words, the higher the tax rates, the lower the relative price of leisure. When the marginal tax rate reaches 100 percent, the relative price of additional leisure becomes zero. At that point, additional leisure becomes a free good, because nothing has to be sacrificed in order to acquire it.

We often hear that a person works the first five months of the year for the government, and then starts working for himself. But that is not the way it goes. The first part of the year, he works for himself; he only begins working for the government when his income reaches taxable levels. The more he earns, the more he works for the government, until rising marginal rates discourage him from further work.

Take the case of a physician who encounters the 50-percent rate after six, eight, or 10 months of work. He is faced with working another six, four, or two months for only 50 percent of his earnings. Such a low after-tax return on their efforts encourages doctors to share practices, to reduce their working hours, and to take longer vacations. The high tax rates thus shrink the tax base by discouraging them from earning additional amounts of taxable income. They also drive up the cost of medical care by reducing the supply of medical services. A tax-rate reduction would raise the relative price of leisure and result in more taxable income earned and also in a greater supply of medical services.

The effect of tax rates on the decision to earn additional taxable

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income is not limited to physicians or to the top tax bracket; it operates across the spectrum of tax brackets. Studies by Martin Feldstein show that the tax rates on the average worker practically eliminate the gap between his after-tax take-home pay and the level of untaxed unemployment compensation he could be receiving if he did not work. In this case, a marginal tax rate of 30 percent (including state and Federal income taxes and Social Security taxes) reduces the relative price of leisure so much that, by making unemployment competitive with work, it has raised the measured rate of unemployment by 1.25 percent and shrunk GNP and the tax base by the lost production of one million workers.

It is useful to give another example to illustrate that it is not just the top marginal rate that causes losses to GNP, employment, and tax revenues by discouraging people from earning additional taxable income. Blue-collar workers do not yet encounter the top marginal tax rate (although if inflation continues to push up money incomes, and the tax-rate structure remains unadjusted for inflation, it will not be many years before they do). Nevertheless, the marginal tax rates that many blue-collar workers already face are high enough to discourage them from earning additional taxable income. Take the case of a carpenter facing only a 25-percent marginal tax rate. For every additional $100 he earns before income tax, he gets to keep $75. Suppose that his house needs painting and that he can hire a painter for $80 a day and hire himself out for $100 a day. However, since his after-tax earnings are only $75, he saves $5 by painting his own house, so it pays him to choose not to earn the additional $100. In this case, the tax base shrinks by $180—of which $100 is the foregone earnings of the carpenter, and $80 is the lost earnings of the painter who is not hired. (Also, the productive efficiency associated with the division of labor vanishes.)

Suppose, instead, that the marginal tax rate on additional earnings by the carpenter were reduced to 15 percent. In this case, his after-tax earnings would be $85, and it would pay him to hire the painter. The reduction in the marginal tax rate would thus expand the tax base upon which revenues are collected by $180.

Studies by Gary Becker have made it clear that capital and labor are employed by households to produce utility through non-market activities (e.g., a carpenter painting his own house). Utility produced in this way is not purchased with income subject to taxation. Therefore, the amount of household-owned capital and labor supplied in the market will be influenced by marginal tax rates. The lower the after-tax income earned by supplying additional labor and

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capital in the market, the less the utility that the additional income can provide, and the more likely it is that households can increase their utility by allocating their productive resources to non-market activities. A clear implication of the new household economics is that *the amount of labor and capital supplied in the market is influenced by the marginal tax rates.*

Now consider how relative prices affect the choice concerning the use of income. There are two uses of income, consumption and saving (investment), and each has a price in terms of the other. The price of additional current consumption is the amount of future income foregone by enjoying additional current consumption. The higher the tax rates, the smaller the amount of after-tax future income foregone by enjoying additional current consumption. In other words, the higher the tax rates, the lower the relative price of current consumption.

Take the case of an Englishman facing the 98-percent marginal tax rate on investment income. He has the choice of saving $50,000 at a 17-percent rate of return, which would bring him $8,500 per year before taxes, or purchasing a Rolls Royce. Since the after-tax value of that $8,500 additional income is only $170 per year, the price of additional consumption is very low: He can enjoy having a fine motor car by giving up only $170 per year of additional income. This is why so many Rolls Royces are seen in England today. They are mistaken for signs of prosperity, whereas in fact they are signs of high tax rates on investment income.

A tax-rate reduction would raise the price of current consumption relative to future income, and thus result in more savings, making possible a growth in real investment. A rate reduction not only increases disposable income and total spending, *it also changes the composition of total spending toward more investment.* Thus, labor productivity, employment, and real GNP are raised above the levels that would result from the same amount of total spending more heavily weighted toward current consumption.

Tax cuts and rebates

The econometric models upon which the government relies for simulations of policy alternatives do not take into account these supply-side effects on GNP of these relative price changes. Consider the alternatives faced by the Keynesian policy maker who wants "to get the economy moving again." His goal is to increase aggregate demand or total spending. How can he do this? He has the choice

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between the balanced-budget multiplier (i.e., increasing both taxes and government spending) or a deficit. He will discard the balanced-budget multiplier, because it is relatively weak and deficits are more politically acceptable than legislating higher tax rates. Having settled on a deficit, he has to choose how to produce it. He can hold tax revenues constant and increase government spending, or he can hold government spending constant and cut tax revenues. In the latter case, he has a choice between rebates and permanent reductions in tax rates. Wanting the most stimulus for his deficit dollar, he will ask for econometric simulations of his three policy alternatives: a tax rebate, a tax rate reduction, or an increase in government spending programs.

The simulations, all based on Keynesian assumptions, will show that a revenue reduction of a given amount, whether in the form of a rebate of personal income taxes or a reduction in personal-income-tax rates, will raise disposable income—and thereby spending and GNP—by the same amount. The policy maker may prefer the rebate for reasons of "flexibility." The spending stimulus may not be required in the following year, and, if it is, he has the option of providing it either by another rebate or by an increase in government spending programs. But on the basis of the econometric simulation, he will be indifferent as to the choice between rebates or rate reductions. As for his third option, an increase in government spending programs, the simulation may report that, dollar for dollar, an increase in government purchases (as contrasted with transfers) will have a more powerful impact on GNP because the government spends all of the money, whereas if it is returned to consumers they will save part of it. Based on the econometric simulation of his alternatives, he will conclude that there is no compelling economic reason in favor of any of the three, and he will make his choice on a political basis.

But the econometric models have misled the policy maker. Unlike a reduction in personal-income-tax rates, a rebate affects no individual choice at the margin. It does not change the relative prices governing the choices between additional current income and leisure or between additional future income and current consumption. It does not raise the relative prices of leisure and current consumption. Therefore, a rebate directly stimulates neither work nor investment. For any given revenue reduction, a rebate cannot cause as great an increase in GNP as a rate reduction, because it does not affect the choices that would cause people to allocate more time and more income to increasing production for the market.

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An increase in government spending fares no better by comparison, and may fare even worse. It too fails to raise the after-tax rewards for work and investment. Furthermore, it increases the percentage of total resources used in the government sector. If the government sector uses resources less efficiently than the private sector, as seems to be the case, the result is a decline in the efficiency with which resources are used—which means GNP would be less than it otherwise would be. Yet the econometric simulations of the policy maker's alternatives will pick up none of the incentive and disincentive effects of these relative price changes. Instead, they focus on the effects of these alternatives on disposable income and on spending.

There are a number of adverse consequences of this extraordinary preoccupation with spending. One is that *the models exaggerate the net tax-revenue losses that result from cutting tax rates.* The only "feedback effect" on the tax base and tax revenues that they provide for is the expansion of GNP in response to an increase in demand. They do not provide for the expansion in GNP that results from higher after-tax rewards for work and investment. The supply-side "feedback effects" are ignored. Similarly, revenue gains from tax-rate increases will be overestimated, because the disincentive effects are left out.

A second consequence follows from the popular misidentification of a tax rebate as a tax cut, and from a similar tendency on the part of most policy makers to see rebates and rate cuts as variations of the same policy instrument. If Milton Friedman is correct that personal consumption is a function of *permanent* income, a temporary rebate has little impact even on spending. Thus, on the basis of experience with rebates, tax cuts *per se* might come to be seen as relatively ineffectual, leaving the field open to proponents of government spending programs.

A third consequence is that the true effects of large tax increases (such as the proposed energy taxes, or the $227-billion increase in the Social Security tax over the next decade) will not be accurately calculated. Policy makers see these tax increases as withdrawals from disposable income and spending, and their only concern is "to put money back" into spending so that aggregate demand does not fall. However, these tax increases change the *relative* prices and incentives of leisure and work, consumption and investment. They produce resource reallocations that have adverse implications for employment and the rate of economic growth. Yet the econometric models, as now constructed, flash no warning lights.

Consider what Arthur Laffer, in the *Wall Street Journal,* has called

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the "tax wedge." The Social Security tax increase provides a good example of this phenomenon. It is a tax on employment, and, as economists should know, a tax on employment will reduce employment. The employer's decision to hire is based on the gross cost to him of an employee. The employee's decision to work is based on his after-tax pay. We know that the higher the price, the less the quantity demanded, and the lower the price, the less the quantity supplied. The Social Security tax both raises the price to the demander and lowers it to the supplier. By increasing the Social Security tax, policy makers reduced both job opportunities and the inclination to work.[1] They raised the cost of labor relative to capital for the employer, and they narrowed the gap between unemployment compensation and after-tax take-home pay for a wider range of workers. Since the revenues available for paying Social Security benefits depend on both the tax rates and the number of people paying into the system, the increase in rates will be offset to some degree by a decrease in the number of people paying into the system. It is hard to see how the Social Security system can be saved by decreasing employment, or how increasing the demand for unemployment compensation is likely to free general revenues for Social Security benefits.

"Crowding out" investment

There are at least two other important points on which economic policy is misinformed by the neglect of incentives and of choices made at the margin. One is the impact on GNP of reductions in the corporate-income-tax rate, and the other is the controversy over whether government fiscal policy "crowds out" private investment.

Simulations run by the Congressional Budget Office and the House Budget Committee on two of the three large-scale commercial econometric models show *declines* in GNP as a result of reductions in corporate-tax rates. In one of the models, corporate investment did not depend on after-tax profits in a very strong way, but was very sensitive to changes in interest rates. Since interest rates rise as the Treasury increases its borrowing to finance the deficit resulting from

[1] Theoretically, the effect on work effort depends on the present value of the Social Security benefits and taxes. If the increased tax means increased future benefits, the employee's work decision will take into account his increased future income, as well as his reduced current income. However, the recent changes in the Social Security law raised taxes and reduced benefits as a proportion of pay before retirement. As the *Wall Street Journal* put it, "the extra money will go to pay people now or soon to be on the retirement rolls, not to finance your own high living in the 21st century" (February 6, 1978).

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the tax cut, investment falls, and *the model predicted a decline in GNP as the result of a tax-rate reduction that increased the profitability of investment.*[2]

The other model predicted that a corporate-tax-rate reduction would slightly raise real GNP after a lag of a couple of quarters, but it predicted a lower nominal GNP for two years. Nominal GNP declined because the corporate-tax-rate reduction reduced the user cost of capital, the price mark-up, and thereby the inflation rate, thus lowering the nominal price level.

To the extent that Keynesians think about the "crowding out" of private investment by fiscal policy, it is in terms of upward pressure on interest rates as a result of government borrowing to finance budget deficits. They do not realize that *investment is crowded out by taxation, regardless of whether the budget is in balance.* To understand how, consider the following example. Suppose that a 10-percent rate of return must be earned if an investment is to be undertaken. In the event that government imposes a 50-percent tax rate on investment income, investments earning 10 percent will no longer be undertaken. Only investments earning 20 percent before tax will return 10 percent after tax. Taxation crowds out investment by reducing the number of profitable investments. When tax rates are reduced, after-tax rates of return rise, and the number of profitable investments increases.

So "crowding out" cannot be correctly analyzed merely in terms of events in the financial markets: "Crowding out" occurs in terms of real output. It is the preempting of production capacity by government outlays, regardless of whether these outlays are financed by taxing, borrowing, or money creation.

Responding to incentives

A concern with the supply-side effects of fiscal policy is incompatible with the concept of economic policy that currently reigns in the Congress and in the Executive Branch. Members of the House Budget Committee asked Alice Rivlin, Director of the Congressional Budget Office, and Bert Lance, then Director of the Office of Management and Budget, about the neglect of the incentive effects of tax-rate changes on supply and also about the econometric predic-

[2] According to staff in the Office of Management and Budget, there have recently been changes in the model, but one can still get the perverse result because a reduction in the tax rate directly and substantially reduces multi-unit housing starts.

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tions that GNP would fall in response to a reduction in corporate tax rates.

Dr. Rivlin said that she and her staff had been "particularly troubled" by model findings that GNP declines if corporate tax rates are reduced. However, she went on to say:

> Studies have generally found that tax-rate changes are less important than changes in the cost of capital and changes in levels of national output in influencing the level of investment. It follows that an investment tax credit or liberalized depreciation will increase investment more than a corporate-tax-rate reduction of equivalent revenue loss. While we do not believe that corporate-tax-rate cuts reduce investment, it would not be surprising to find that tax cuts had only a minor expansionary effect.

The OMB staff reply to this question was ambiguous.

Both CBO and OMB realized that the question about incentive effects most fundamentally challenged their concept of economic policy. The comments of Rivlin, Lance, and the OMB staff all unequivocally acknowledged that the econometric models upon which they rely for guidance in the choice of economic policy alternatives do not include any relative price effects of changes in personal-income-tax rates. However, since they believe that the performance of the economy is a function of spending levels, not of production incentives, they expressed no concern over this neglect. They said that economic theory and empirical studies leave it unclear whether the neglected supply-side effects are important; regardless of how the issue is resolved, they questioned the practical importance of supply incentives for short-run policy analysis.

There are two parts to this argument. One is that it is unclear whether lowering personal-income-tax rates will increase or reduce work effort. The other is that it is unclear whether any incentive effects on work effort and investment would show up as quantitatively important in a short-run policy framework. The first proposition questions the existence of the incentive effects; the second questions whether they would be effective in time to deal with an immediate problem of economic stabilization.

It is easy to dispose of the latter point. The long-run consists of a series of short-runs. If policies that are effective over a longer period are neglected because they do not have an immediate impact, and if policies that are damaging over the longer period are adopted because they initially have beneficial results, then policy makers will inevitably come to experience, sometime in the future, a period when they will have no solution for the crisis they have provoked In the United States, that future might be now.

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As for the first point, Rivlin acknowledged that a personal-income-tax-rate reduction raises the relative price of leisure, and that work effort will increase as people substitute income for leisure. This is known in economics as the "substitution effect," and it works to increase supply. However, Rivlin also said:

> It is also theoretically arguable that when a tax cut provides people with more after-tax income, many of them will *reduce* effort through what is called the income effect. For most people, leisure has some positive value, and it may even be a "luxury" good; these people could respond to a tax reduction by reducing their working hours, benefiting from more leisure time and still maintaining their after-tax income. For other people who like their work, there may be little or no labor supply response to the income *or* the substitution effect. In much of the United States economy, work weeks are fixed, leaving little possibility for individuals to make marginal adjustments in hours of work.

In other words, CBO believes that the "income effect" works to decrease supply.

Rivlin then went on to say that it was an empirical question whether the "income effect" offset the "substitution effect," referred to a narrow range of studies that left the question unresolved, and concluded: "In the range of policy options that we have been dealing with, I think the assumption that changes in marginal tax rates have no quantitatively significant effect on labor supply is quite plausible."

But the concept of a targeted or desired level of income unaffected by the cost of acquiring such income is foreign to the price-theoretical perspective of economic science. Rivlin's idea that people respond to a cut in income-tax rates by maintaining their existing income levels while enjoying more leisure implies that, if their tax rates went up, they would work harder in order to maintain their desired income level. Lester Thurow has actually employed this reasoning to argue for a wealth tax. According to Thurow, a wealth tax is a costless way to raise revenues because the "income effect" runs counter to and dominates the "substitution effect." He assumes that people have a targeted level of wealth, irrespective of the cost of acquiring it. Therefore, he says, a tax on wealth will cause people to work harder in order to maintain, after tax, their desired wealth level.

Note the perverse ways in which people respond to incentives and disincentives according to the Rivlin-Thurow line of argument: When tax rates go down and the relative price of leisure rises, people demand more leisure; when tax rates go up and the relative price

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of leisure falls, people demand less leisure. In economics, any time the "income effect" works counter to the "substitution effect," we have the relatively rare case of what is called an "inferior good" (i.e., people purchase less of it as their income rises). Since income is command over all goods, Rivlin's argument implies that *all* goods are inferior goods: A tax cut will cause people to purchase only more leisure, not more income (i.e., goods). What kind of people are these? Well, the only kind of people who fit this kind of economic analysis are people who respond to a monetary incentive in perverse ways.

Perhaps Rivlin merely meant to say that lower tax rates would allow people to have a *little* more income for a *little* less work. Even so, as long as she maintains that the "income effect" works counter to the "substitution effect," her argument carries the implication that goods in general are inferior.

A perverse logic

Whatever the weight one assigns this point, there is a more fundamental defect in her argument. Notice the stunning inconsistency: People respond to a tax-rate reduction "by reducing their working hours . . . and still maintaining their after-tax income." But it is impossible for people *in the aggregate* to reduce their work effort and maintain the same level of *aggregate* real income! If people respond to tax cuts by working less, real GNP would fall, and it would be impossible to increase real disposable income, spending, and demand in the aggregate. Rivlin's argument is directed against the effectiveness of incentives in raising aggregate output, but if she were correct, it would mean that Keynesian fiscal policy also is ineffective!

The fatal error in the Rivlin-Thurow argument can be put this way: It derives from trying to aggregate a series of partial equilibrium analyses (individual responses to a change in relative prices) and, in the aggregate, ignoring the *general* equilibrium effects.

There are various ways a non-economist can grasp this point. Assume that the government cuts taxes and maintains a balanced budget by reducing spending. In this case, the higher income accorded the taxpayers whose rates are reduced must be matched by a negative impact on the incomes of recipients of government spending. Some or all of these may be the same people. Assume, for example, that both the tax burden and government spending are evenly distributed. In this case the "income effect" (the substitution of leisure for work) "nets out" for each individual. Since the ag-

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gregate income effect is zero, it cannot offset the "substitution effect" (the substitution of work for leisure).

If taxes are cut and government spending is unchanged (resulting in a budget deficit), the nominal disposable income of taxpayers as a group will rise relative to the nominal disposable income of the recipients of government spending as a group. The former will be able to bid real resources away from the latter. The real income gains of the former will be matched by the real income losses of the latter. Since the bidding will raise prices, the real income loss might be suffered by individuals who hold money. Regardless of who loses and who gains, the individual income effects "net out," leaving only the "substitution effects," which unambiguously increase work effort.

There can be no aggregate "income effect" unless the impact of incentives is to raise real aggregate income. Economic theory makes it perfectly clear that a tax-rate reduction will increase work effort and total output.

In the final analysis, Rivlin's argument is not that the supply-side incentive effects are unimportant, but the equally false argument that their impact is perverse—that is, only a tax-rate *increase* can produce a rise in real national income! She may not actually believe any such thing, of course—but that is where her reasoning leads her.

From economics to politics

An economist might see the flaw in the Rivlin-Thurow argument, but it is not obvious to politicians. Take something simple, like Rivlin's assertion that a fixed work-week precludes adjustment of the labor supply to tax-rate changes. To an economist her assertion is obviously false, but to the politician it sounds reasonable enough. He will not realize that the "adjustments" will be reflected in absenteeism rates, turnover rates, the average duration of unemployment, labor negotiations for shorter work-weeks and more paid vacation rather than higher wages, and in the quality and intensity of work. Nor will he think of the entrepreneur who, because of high tax rates, loses his incentive to innovate—to make the economy itself (all of us) more productive.

Besides, one has to have an idealistic view of government to believe that politicians even want to know. The Keynesian concept of the economy is that of an unstable private sector that must be stabilized by fiscal and monetary policies of the government. This view has served as a ramp for the expansion of the interests of gov-

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ernment. It has also served the interests of economists by transforming them from ivory-tower denizens to public-spirited social activists, a transformation which has much increased their power and enlivened their life styles. Unemployment can always be said to be too high. And the rate of economic growth can always be found to be below "potential." This means that there is always a "scientific" economic reason for expanding government spending programs that enlarge the constituencies of the Congress and of the Federal bureaucracy. From the standpoint of the private interests of policy makers, Keynesian economic policy will always be judged a success.

To write about all of the problems of econometrics and economic policy would require a book, not an article, but one other important problem must be mentioned in closing. Professor Robert Lucas has demonstrated that the standard econometric models assume that the structure of the economy remains invariant under wide variations in policy paths. What this means is that the models assume that people do not learn. But people do learn, and their expectations change as they experience various policies: They may not repeat the same behavior in response to the same policy at different times. Therefore, the policy simulation may always misinform the policy makers. This is not an optimistic note on which to end an article about public policy in a country that believes we need a great deal of it. But our faith in public policy has exceeded our knowledge, and we will find out that, in this area, there is no such thing as free faith.

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The Washington novel

STEPHEN MILLER

According to Henry Adams, Washington, D.C., in 1868 "stood outside the social pale." The remark comes from his autobiography, *The Education of Henry Adams,* written some 40 years after he first moved to Washington from Boston—a brave and bold move, he implied, for "no Bostonian had ever gone there." No proper Bostonian, Adams meant: "no literary or scientific man, no artist, no gentleman without office or employment." In *The American Commonwealth,* James Bryce confirmed Adams' view. Washington in the 1880's, he said, had little in common with Paris or London. It was not a capital city—not a city whose size, wealth, or citizenry made it "the head and center of the country."

In the latter part of the 19th century, moreover, Washington was not only provincial, but also disreputable. The proper Bostonian could seek adventure by going West, but if one moved to Washington, according to Adams, "one announced one's self as an adventurer." Aside from a relatively small circle of aristocratic Southerners, Washington was home to a swarm of journalists buzzing around an ever-changing multitude of politicians, bureaucrats, and office-seekers. With its muddy streets, intolerable summers, and insipid Federal architecture, Washington was a seedy backwater, a

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physical and moral swamp, not only to proper Bostonians but also to many other Americans. Even though it has become distinctly less provincial during the past 40 years, Washington continues to be so regarded today. Many Americans, I suspect, would agree with the character in Warren Miller's *The Sleep of Reason* (1960) who says: "This town, you know, was built on a swamp, and I sometimes think it's never quite been drained dry."

Adams went to Washington to become a journalist, a trade that he practiced intermittently during his stay there. He also wrote *Democracy* (1880), which is probably still the best Washington novel. Most Washington novels, in fact, have been written by journalists, but most betray the limitations of style, imagination, and conception that the working journalist often brings to his task of giving us an "inside story" about the "real" Washington. Preoccupied with unmasking the vanity and lust for power that supposedly infect politicians, most Washington novels lack the kind of intellectual and moral complexity that we find in the best American political novels, from Nathaniel Hawthorne's *The Blithedale Romance* to Robert Penn Warren's *All the King's Men.* Moreover, with their shrill tendentiousness and stylistic crudity, they usually exhale "a penetrating odor of what in plain English one must call vulgarity" (as Henry James said of one representative example). Nevertheless, they merit some attention because they provide us with a good index of what many Americans, especially journalists and intellectuals, think about politicians and the activity of politics.

The romance of corruption

The first inside story about Washington is Mark Twain and Charles Dudley Warner's *The Gilded Age* (1873), a broad satire of corruption during the Grant Administration. The political life is dismissed as a "general grab," influence is the reigning god, and power is measured only in monetary terms, for nearly everyone is up for sale. Sometimes Twain and Warner's extravagant humor hits the mark, but most of the time the novel is painfully obvious, making the same point over and over again. Right on the heels of *The Gilded Age* came a novel very much in the same vein: John De Forest's *Honest John Vane* (1875), another exposé of the Grant Administration, which De Forest calls "a juggernaut of swindling."

De Forest's heavy-handed attack, however, was not lightened by any of Twain and Warner's humor. Nor were any of the innumerable Washington novels published during the ensuing 40-odd years

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—behind-the-scenes stories about the fraud, peculation, and political jobbery that flourished in the swamp of Washington. Most of these books were little more than editorials by Mugwump reporter-reformers. They date badly, for even their historical accuracy is open to question. In *Politics and Power: The United States Senate 1869-1901*, David Rothman points out that most politicians were not up for sale: "Political careers demanded too much time and energy for anyone primarily dedicated to furthering financial enterprises." Those interested in making money could find more lucrative ways of doing so than playing politics. And Morton Keller, in *Affairs of State: Public Life in Late 19th Century America*, emphasizes that many politicians fought for both the regulation of private enterprise and the reform of particular political abuses.

Yet the reading public believed the worst that was said about politicians, perhaps because it regarded them as social inferiors. Politicians were rarely men of learning or refinement, and their rough manners implied dubious morals. One socially respectable character in Gertrude Atherton's *Senator North* (1900) complains: "But if you are going to bring a lot of men to this house who will spit on my carpets and use toothpicks, I beg you will not ask me to receive with you." Only Mugwumps passed muster with the reading public, for the typical Mugwump reformer-politician was, according to Richard Hofstadter, "a well-to-do, well-educated, high-minded citizen"—someone above political opportunism and not motivated by what was commonly called "crass materialism." Needless to say, few successful American politicians were cast in that mold.

By the second decade of the 20th century, Americans may have become tired of hearing so much about corruption in the nation's capital, for the production of Washington novels declined dramatically. The passion for reform had been spent, perhaps because many reforms had been accomplished. But there was little change in the tarnished image of politicians, who were still regarded by writers and intellectuals as a distinctly lesser breed. In 1931, Edmund Wilson was probably expressing the received opinion on the matter when he described America's "specialized professional politicians" as "one of the most useless and obnoxious groups which perhaps ever disgraced human history—a group that seems unique among the governing classes in having managed to be corrupt, uncultivated, and incompetent at once." If politicians in general were worth so little, they were probably no longer worth writing about —especially Washington politicians, who lacked the "local color" of city or state political bosses. The subject, it seems, had been ex-

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hausted, and only a trickle of Washington novels appeared from the 1920's through the 1950's.

The Presidential novel

During the 1930's, however, when Franklin D. Roosevelt lured a large number of well-educated and cultivated persons to the capital, the city began to change, and the result was a new interest in novels about Washington. The change in the character of the city became most evident during the Kennedy Administration, when many proper Bostonians flocked there—not, as Adams did, to take up journalism and fastidiously sniff the aroma of power, but to become powerful actors in the government itself, usually as policy makers in the executive branch. Politicians also began to change; one might still call some of them adventurers, but one could hardly call most of them boorish. Although Washington was still not what Bryce meant by a capital city, being neither a leading center of commerce and industry nor a leading intellectual center, it was no longer beyond the social pale.

The new Washington novel was more sophisticated than its predecessors, but not necessarily better. No longer posing as a reporter-reformer, the Washington novelist now regarded himself as a worldly-wise chronicler, less interested in rendering moral judgments than in accurately depicting the Washington "scene" and dwelling on the intimate connection between the game of politics and the glamor of a city that had acquired a veneer of culture and elegance. The "scene" was peopled by well-heeled lawyers, politicians, and bureaucrats who spent their evenings eating at French restaurants and making the rounds of the numerous private parties, embassy receptions, and fund-raising affairs, where sexual and political intrigue overlapped.

And the very same persons who indulged in all that drinking, partying, and lovemaking were responsible for making decisions that could affect not only Americans but the whole world. So many novelists began mouthing banalites about the lust for power, the intoxication of power, and the corruption of power because Washington had become the center of American power, a city that most Americans—whether rich, middle-class, or poor—were dependent upon in complex, myriad ways. Power might be difficult to define or to hold onto, but everyone knew that a good deal of it came with certain key jobs in Washington.

The obvious center of power in Washington was the Presidency.

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Because of the President's awesome military power as Commander in Chief of the Armed Forces and the increasing complexity of foreign affairs, many new Washington novels were thrillers based on the "what-if" formula. What if the President were to become incapacitated in some way? What if the President were to become a victim of forces beyond his control—sinister plots hatched by the CIA or the Department of Defense? Such a "what-if" formula would have made little sense in the 19th century or the first three decades of the 20th century, when Presidential power to wreak catastrophe was very limited.

What we might call the Presidential novel—by far the most common Washington novel—was also popular because the office of the Presidency came to possess a certain mystique. Franklin D. Roosevelt was perhaps the first Chief Executive to build up his office by shrewdly selling himself as a wise and benevolent Great Leader who talked to the people over the heads of Congress. Although Eisenhower played down the importance of the office, he was going against the grain, for during and after the Kennedy years the magic of the Presidency increased. The President came to look like a modern version of Louis XIV, a monarch surrounded by dozens of courtier-advisers, guarded by vigilant Secret Service men, and whisked away by helicopter and personal plane to weekend retreats all over the country. His family became a royal family, its most trivial doings regularly covered by the press. The imperial Presidency, as it has been called, was not without its dangers to the nation, but the American public seemed to expect Presidents to be something special—monarchs as well as men of the people—and were intensely curious about how such special persons lived. What was it like to live and work in the White House? The Presidential novel catered to the public's appetite for information. Less novels than novelistic recreations of life in the White House, the best of them are modest in their pretensions—entertainments to be read quickly and forgotten.

Considered in these terms, a good inside story about the White House is William Safire's *Full Disclosure* (1977), which has floor plans of the White House on the inside of its front and back covers —a clever way of establishing authenticity. As a blurb for the book says, the novel is "rich in the details only insiders know"—rich, that is, on lore about the White House. The plot is too clever by half, but the dialogue is brisk and the minor characters amusing. An even better entertainment is Patrick Anderson's *The President's Mistress* (1976); its plot is less intricate, its prose sharper. Ander-

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son's thriller about the mysterious death of the President's mistress is also unapologetic about the political life. After removing himself to the country, the novel's hero eventually decides that the pastoral life is a bore. "People in Washington," he says, "may be crooked and hypocritical, but they're not often dull."

Such a lack of moralistic hand-wringing is attractive, yet there is something complacent about the assumption that playing politics is a crooked activity. Anderson's novel—and all inside stories, for that matter—are not, though, supposed to be read for their wisdom about political life. They are read both for their action-packed plots and for the secrets they supposedly contain—for their intimations of what life was like in the White House during the Kennedy, Johnson, or Nixon Administrations. The most successful practitioners (in financial terms, that is) of the new Washington novel have been writers whose credentials as journalists, speechwriters, or Presidential advisers give their concoctions the spicy taste of authenticity. Their novels are usually advertised for their truthfulness, with other insiders enlisted to attest (as a recent blurb put it) that "the people fictionalized" are indeed accurate representations of actual people.

The "inside story"

Because they are "fictionalizations," inside stories about the White House might be compared to books like the Duc de Saint-Simon's memoir of life at the court of Louis XIV and Harry McPherson's *A Political Education,* which is a perceptive account of life at the "court" of Lyndon Johnson. Like Presidential novels, memoirs are usually parochial, making too much of court intrigues and too little of the external forces at work. Yet are they not a more honest way of doing history than a "fictionalized" inside story that claims the authority of fact, yet desires the anonymity of fiction? But if Presidential novels usually play coy games with the reader, teasing him with the possibility of being romans-à-clef, they are no more dishonest than the "novelizing" of history by the so-called new journalism. In the manner of the higher reaches of contemporary literary criticism, it may seem appropriate to regard all "texts" about Washington as fictions, yet doing so leads to epistemological bankruptcy, paving the way for more books like Robert Coover's egregious Washington novel (if we can call it that) *The Public Burning* (1977), which invents absurd and outlandish situations and then assigns real persons to them.

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The relation of reality to fiction is a problem that bedevils all inside stories about Washington. To see how ludicrously complicated the problem can get, we need only look at Abigail McCarthy's *Circles* (1977), which a blurb predictably announces is "about the real Washington." "Real people," McCarthy says in her foreword, "walk through the story under their own names, but, with one exception, they carry on fictional conversations in a way that I think is faithful to the manner of their own casual conversations." McCarthy is trying to find a way of revealing secrets without revealing the persons whom they are about. She wants to be discreet about the gossip she has for sale.

I say "for sale" because inside stories about Washington are essentially products—collections of secrets packaged as novels. Since the Kennedy years and especially since the Watergate affair, there has been a market for secrets about Washington, and anyone in a position to collect them has a lucrative "property" (to borrow a word the *Washington Post* used to describe, prior to its publication, H. R. Haldeman's account of life at the court of Richard Nixon). Memoirs are usually more lucrative than novels, but novelists may be able to divulge more secrets than writers of memoirs and so might have a hotter property (as a Hollywood producer might put it). Marvin Kalb, the co-author with Ted Koppel of *In the National Interest* (1977), an inside story about Henry Kissinger, has said: "Sometimes you can really say things in fiction form that you can't express in non-fiction." The owner of the property must weigh the advantages of each strategy.

Most inside stories about Washington are bad novels, but not because their authors are chiefly interested in making a killing. The reasons for writing a novel tell us little about its merits. Nor are inside stories bad because, in the words of Joseph Kraft, power tends "to corrupt first those who have it; next those who write about it; and eventually those who merely behold it." By these lights Kraft himself is corrupt, since for many years he has been an observer of Washington politics.

It may be a good idea simply to steer clear of the word "corruption," a word with a tremendous amount of explanatory power for many intellectuals, who often seize on it to express their disgust with the way things are. Once uttered, the word seems to block any further thinking about a matter, which is a pity in Kraft's case, since he seemed to be moving towards a more interesting conclusion: that most Washington novels are bad because their authors are so close to the Washington scene and the politicians they write

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about that they have a difficult time getting an accurate and intelligent view of the political profession.

As a result of their knowledge of the private lives of politicians, writers suffer from what I would call a naïve worldliness. In their behind-the-scenes stories, politics is seen as an unscrupulous and mean-spirited activity, having less to do with substantive issues than with scrambling to gain power and to remain in power. As someone says in Andrew Tully's *Capitol Hill* (1962), "If you're interested at all in a political career and have any kind of brain, you learn that politics is a tough and ruthless and cutthroat business." In most Washington novels, the career of the politician is seen as distinctly less than honorable; the more ruthless and amoral he is, the more his chances of success. Those hampered by moral scruples invariably fail. Having seen political man with his mask off, the writers of inside stories thus tend to moralize about his vanity, ambition, and greed, forgetting that vanity and ambition (I would exclude greed) are characteristics that goad most successful people, from physicists and biologists to novelists and journalists. And in politics they goad a Lincoln as well as a Nixon.

At best, inside stories can be dismissed as trivial entertainments in which politicians become personalities—material for a story in *People* magazine or for a movie about Washington. A television executive said recently: "Washington is the new Hollywood. It is exciting, glamorous, and full of giant, well-known personalities." At worst, such novels are seriously misleading. For one thing, they do an injustice to politicians, who are made to seem more ambitious and more unscrupulous than people in other professions simply because they seek office. But inside stories also do an injustice to political life itself, understanding it only in terms of the personalities of those who practice the profession. "No man is a hero to his valet," someone said to Goethe, who replied: "That is not because the hero is not a hero; it is because the valet is a valet." More often than not, writers of inside stories about Washington are valets—unable to appreciate dispassionately just what their "heroes" do.

Playing politics

In most Washington novels, the word "politics" is a vague term of abuse. As a character says in *Full Disclosure*: "What is it about this city? Only thing they're interested in is politics, power, who's up, who's down, who's next." It is hard to know what politics means

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here, but it is clear that the political life is an endless horse race—a continual struggle to stay in the lead. In John Ehrlichman's *The Company* (1976), politics seems to mean conning those who want to con you. Someone in the novel remarks: "Everyone in this government is political and you know it. Politics is what makes it all go round. If everyone just piously folds his hands and says, 'Goodness me, I shouldn't get into all that political crap,' you know what is going to happen?" The point is this: Politics is a necessary evil, a dirty game you must play in order to succeed in Washington.

Deprecation of politics is commonplace in Washington novels—so commonplace that it borders upon the ritualistic. Politics is what you "play" in order to get things accomplished, but being political in some sense means being immune to substantive issues—or, rather, knowing how to manipulate them in order to win the horse race. Those who are strongly moved by a particular issue usually fail, whereas those who play politics with an issue—provided they are ruthless and cunning enough—usually succeed. Such a conception of political life betrays little understanding of what politics is about: the variety of contradictory demands a politician must try to accommodate, and the need for procedural rules that enable such accommodations to take place. Yet the notion that politics and issues are hostile forces perpetually at war with one another underlies many Washington novels, and it is the controlling idea in John Dos Passos' *The Grand Design* (1952) and Tom Wicker's *Facing the Lions* (1973).

In *The Grand Design,* an earnest, well-meaning agricultural expert comes to Washington during the Roosevelt Administration to work for the Farm Economy Administration. He is motivated by the belief that "there's a valuable reservoir of people in this country who haven't gotten a break, farmers who live on submarginal farms, hillbillies, migrant laborers," but he soon learns that there is a "gap between the plans at the policy level and the poor devil in the field," and also that "for some reason it humiliates people to be helped by a government agency." In the end, he becomes despondent about his work, regarding it as "just do-gooding"—of no use to anyone.

Dos Passos' novel speaks to our present discontents about the inherent problems of any "grand design" for improving the conditions of American life. Dos Passos implies that Federal programs do not help those for whom they are intended, but those who carry them out. Yet his point about the limits of social policy is vitiated by his more general distrust of political life. As one character says, "When the government steps in to put people on their feet

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who haven't been able to get together themselves to help each other, I don't see how it can result in anything but more politics." It is one thing to say that, for a variety of reasons, well-meaning Federal programs are likely to fail; it is another to say that they are done in by a vague, evil force called politics. *The Grand Design* suffers from a paranoid-populist suspicion of politics and politicians. Dos Passos suggests that representative government does not work, since the representatives are less interested in serving the people who elected them than in keeping themselves in power.

In *Facing the Lions,* Wicker makes essentially the same point. A reformist Southern Senator, who is not as "self-serving and short-sighted as most," faces the lions, and they eat him up. The lions are the political wheeler-dealers and power brokers whose home is mainly the Senate, which Wicker calls "a formally organized version of the ancient human struggle to emerge from the pack." To Wicker, the Senate is a bastion of power and privilege that destroys those who do not readily fall into line—that is, those who take stands on issues.

It is easy to dismiss *Facing the Lions,* whose author is given to banal and long-winded reflections about American life, written in a prose so flatulent that it seems at times to be a parody of itself. Yet it is disturbing to realize that Wicker, who has been a long-time observer of Washington politics as both a reporter and a columnist for *The New York Times,* can have such a misguided and lugubriously pessimistic view of American politics. His complaints, moreover, border upon the absurd, for Wicker damns politicians because they deal in abstractions and aggregates and therefore have no comprehension of "the daily realities of lonely, reaching people, finding their way." Does Wicker really think it would be good for politicians to involve themselves in the "daily realities" of people, as they do in totalitarian states? But I suspect that Wicker himself is not very clear what he means by these maunderings. He merely grabs at anything in support of his view that playing politics is a deplorable activity.

Ambiguous performances

Although Gore Vidal also deplores politics in *1876* (1976), his most recent Washington novel, he does have some appreciation of the distinctive nature of political life. After trotting out the standard Mugwump views of the period his book covers—Washington in the 19th century, we learn, is a "moral Africa" where govern-

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ment "is simply the giving and taking of money"—Vidal does recognize that politicians are performers on a stage. Charles Schermerhorn Schuyler, the patrician narrator of the book, condemns Washington politicians for their venality, but also berates them for their poor performances as political actors. "The members of Congress," Schuyler says, "deported themselves like the very worst sort of actors trying to look like Roman senators whilst sounding like country Jonathans." Most Washington novels use the comparison of politicians to performers as further evidence that politicians are not to be trusted. Schuyler himself does not trust Senator James G. Blaine, who has been accused of corruption. Yet after hearing Blaine speak in the Senate, he says: "I was elated, the way one is after a good—no, great—performance in the theatre." For the moment, at least, he appreciates the distinctive skills of a successful politician.

We should not make too much, though, of Schuyler's praise, for otherwise he has nothing but contempt for successful American politicians. And Vidal himself has always been scornful of what he calls "the American system," which, as he said in a recent essay, "I do not think . . . worth preserving." In that essay, glowing with *Schadenfreude* about the Watergate revelations, Vidal defends the dark vision of American politics found in his earlier Washington novel, *Washington, D.C.* (1967). In that book, James Burden Day, a principled Southern Senator, characterized the contemporary American politician as a man who knows no motive but interest, acknowledges no criterion but success, and worships no god but ambition.

Beginning in the late 1930's and ending in the early 1950's, *Washington, D.C.* chronicles the decline of Day's career and the rise of Clay Overbury's. Overbury is the very model of a successful modern politician: cold, disciplined, and unprincipled, with his eyes forever on the polls. Bent on achieving political success, Overbury first conspires with his father-in-law to put his daffy, loud-mouthed wife away in a mental asylum, so that her conduct will not hurt his career. He then publicly announces his intention to run for Senator Day's seat without even telling Day beforehand—a dastardly move, since he had been Day's legislative aide and political protégé.

Overbury is thus pictured as a schemer who will do anything to further his political career—even betray his mentor. Yet, at least in the first half of the novel, Overbury seems admirable in his strength of character, his self-control, and his sure sense of self—unlike his wife and other assorted characters, who lack balance and direction. Overbury is also attractive because he is so obviously good

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at what he does: playing politics. Respecting, if not exactly defending, Overbury, a character in *Washington, D.C.* says: "I was brought up to respect deeds, not theories; victories, not virtues. I see politics as men improvising." Overbury is clearly a brilliant improviser.

What, finally, does Vidal want us to make of this man? Perhaps it is foolish to press him on this point, since Vidal often seems more interested in being witty than in developing a consistent point of view about his characters. To make sense of his portrait of Overbury, we might say that there are two Vidals: one a patrician moralist and snobbish hater of things American, the other a cynical aesthete who admires anything done well, no matter how vulgar or morally reprehensible the doer. The former likens Overbury—and, indeed, all Americans—to shady used-car dealers because, as Senator Day says, they twist and turn merely to survive; the latter has a sneaking affection for Overbury because he is a clever scoundrel. But Vidal's hatred of the so-called American system makes him turn Overbury into a caricature of an American politician—more of a scoundrel than he need be. It is hard to believe, for example, that a cautious professional politician like Overbury would needlessly risk alienating someone like Day. In the end it is clear that Vidal wants us to think Overbury contemptible, but we find him difficult to dismiss. He is a powerful and, in some ways, attractive man.

A political education

So is Senator Silas Ratcliffe, the central figure of Henry Adams' *Democracy*. Like Overbury, Ratcliffe is very much the brilliant improviser. "The beauty of his work," Adams says, "consisted in the skill with which he evaded questions of principle." *Democracy* and *Washington, D.C.* have much in common—not the least of which is the peculiarly irritating way their authors move from moral outrage to cynical sneer. But Adams' novel is more powerful, incisive, and moving, because the moral questions it raises are more complex than those raised by Vidal.

The case against Senator Ratcliffe is clear. In the course of the novel, which focuses on Washington politics during the 1870's, we learn that Ratcliffe had accepted a bribe on behalf of his party in order to pay for debts incurred in his campaign for reelection. Shocked by this revelation, Mrs. Lightfoot Lee, a proper Bostonian who had come to Washington to find out "whether America is right or wrong," rejects Ratcliffe's marriage proposal, flees the city, and

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remarks in the last sentence of the novel: "The bitterest part of all this horrid story is that nine out of ten of our countrymen would say I had made a mistake."

Mrs. Lee gets the last word in the novel, but is her wisdom on these matters also the author's? Is Adams speaking when it is said of Mrs. Lee: "She had got to the bottom of this business of democratic government, and found out that it was nothing more than government of any other kind"? Adams never makes it clear whether he, like Mrs. Lee, considers democratic politics a masquerade and a fraud. One thing, though, is clear: If Ratcliffe is guilty of taking a bribe, Mrs. Lee herself is guilty of irresponsible—if not immoral—conduct.

After coming to Washington to further her political education, Mrs. Lee decides to cultivate the acquaintance of Senator Ratcliffe, and eventually becomes his friend and ally. A brilliant politician who is admired by many for his ability to manipulate other politicians, Ratcliffe is also a lonely widower and thus very susceptible to Mrs. Lee's flattering attentions. And, as a self-made man of obscure origins, he is also easily beguiled by Mrs. Lee's invitations to her elegant soirées. It is no wonder, then, that he eventually finds himself in love with her. But although Ratcliffe becomes serious about Mrs. Lee, she never can quite seriously consider marrying him, since he has been for her only a means toward the end of acquiring an insider's view of Washington politics. Ratcliffe, moreover, has been reasonably frank about his political career, even admitting that he once fixed an election. Therefore, when Mrs. Lee rejects his offer of marriage, he is first astonished and then angered by what he regards as her cavalier and inconsistent sense of morality. With some justification, he calls her a "heartless coquette" and storms out of the house.

Mrs. Lee, Adams implies, is a coquette in another sense. Instead of playing politics, she plays with politics, having gone to Washington "to see what amusement there might be in politics." Her morals may be purer than Ratcliffe's, but they are the morals of someone who has never been in a position of responsibility—someone secure enough, socially and financially, to turn to other things when the going gets rough. However Adams finally intends us to regard the two characters, we are more taken with Ratcliffe's plight than with Mrs. Lee's. As Irving Howe has said of Ratcliffe, "We cannot help feeling that here at least is a man who, in his own dubious way, has lived, has plunged, has taken risks." Mrs. Lee has never risked anything.

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"Politics," Adams says in his autobiography, "cannot stop to study psychology." Adams' *Democracy* and the Washington novels of Gore Vidal have their share of scandal and gossip, but they succeed to the extent that they regard politicians as politicians. Both Adams and Vidal are amused (to use a word they like) by politics, regarding it with a certain detached fascination. Yet their amusement also smacks of condescension and contempt, and Adams' and Vidal's novels suffer because their authors cannot bring themselves to take a serious—which is not the same thing as a solemn—view of American political life. Politics, a character says in *Washington, D.C.*, is the most humiliating of all professions, because "you must be accessible to every fool who wants to see you, since the only person who can never escape a bore is the man who needs his vote." If Wicker and Dos Passos think representative government betrays the people, Adams and Vidal think representative government reeks too much of the people. As fastidious patricians, Adams and Vidal consider American politics vulgar; as earnest populists, Wicker and Dos Passos consider it reprehensible. Patricians, at least, feel the need to be witty and concise, whereas populists tend to be mawkish and prolix. Adams and Vidal, then, are the better novelists, but all four writers, like so many Washington novelists, think politics an unworthy profession. All this makes for a rather peculiar state of affairs. Novels about artists are not usually written by art-hating philistines, and novels about playwrights are not usually written by theater-hating Puritans, but most Washington novels are written by those who deplore not only particular politicians but the very activity of playing politics.

Issues and responsibility

Only a handful of Washington novels accept the basic worthiness of the political vocation—among them, Allen Drury's *Advise and Consent* (1959) and Ervin Duggan and Ben Wattenberg's *Against All Enemies* (1977). Dedicated to "the distinguished and able gentlemen without whose existence, example, and eccentricities this book would have been neither conceived nor written: the Senate of the United States," *Advise and Consent* takes a close look at the Senate's confirmation procedures. The story centers on the intrigue surrounding the President's nominee for Secretary of State, who is thought by many to be unfit for the job. After a number of twists and turns in the plot, during which we are introduced to a smorgasbord of political characters, the Senate refuses consent. Drury's

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novel has much to say of scandal and dishonorable conduct, but it nonetheless dwells more on the complexities of the political process than on the private lives of politicians. Nevertheless, it is a weak book, its banal and hearty prose resembling a third-rate speech by a Senator. The novel is rich in interesting Senatorial lore, yet it plays to our worst fears about the Senate: that it is a place where pompous figures declaim upon a neo-Roman stage, using inflated rhetoric to convince themselves of their own importance. Drury does not imagine political life so much as endorse the Senate as an American institution.

In *Against All Enemies,* Duggan and Wattenberg also offer an endorsement of sorts. They appear to support the views of their beleaguered President, who says toward the close of the novel: "The lesson, my good friends, is that we're in deep trouble. . . . Because if the world's strongest nation isn't willing to defend its values—with steel, if necessary—you can kiss those values good-bye. You can kiss *freedom* [emphasis in the original] good-bye." The issue in question is the President's decision to intervene militarily in a democratic South American country that was in serious danger of being taken over by communists aided by a neighboring regime. The President feels strongly about the matter because he has just emerged from a bitter political struggle with the Vice President, who had publicly opposed his position. Although the President knew his decision would be unpopular, he was shocked by the criticism it provoked, and particularly by the Vice President's opposition. The President—and clearly the authors of the novel—feel that the United States may be suffering from a failure of nerve.

Against All Enemies, like *Advise and Consent,* assumes that politics has something to do with important issues, and that politics and issues are inextricably related. As one character in the novel says about Washington politicians: "You don't see many great men, but you see good men, up against real problems. It's true, they make dull speeches and dull conversation. But the issues aren't dull." One wants to like a novel that assumes most politicians are decent men burdened with a good deal of responsibility and forced to act out of partial knowledge. But in the end, *Against All Enemies,* like *Advise and Consent,* grates on one's nerves. For one thing, we feel manipulated—trapped into agreeing with the authors about an issue of current importance. Moreover, though *Against All Enemies* is better written and more tightly constructed than *Advise and Consent,* it suffers from the same faults of solemnity and portentousness. Reading these grave sermons in defense of Amer-

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ican institutions and American "values," we reluctantly come to the conclusion that the effervescent concoctions of Adams and Vidal are better works of art.

"Political crap"

With so many flawed Washington novels, it may seem that politics is an intractable subject for the novelist. Yet surely the complexities of political life offer material for a host of Washington novels—especially the political life as enacted in Congress, with its elaborate protocol and procedures. There the play of politics is most artfully performed. (Elizabeth Drew recently spoke of a Senate-House conference as a "little Kabuki play.") To make novelistic sense of such performances, one needs the imagination not of a Dostoevsky, whose novels picture politics as the clash and roar of great ideas, but of a Henry James, whose explorations of the tensions between manners and morals suggest a way in which the peculiarly mannered world of democratic politics can be imagined in fiction. This world offers novelists the thick social texture that James complained was wanting in American life.

James himself was struck with the uniqueness of Washington as an American city. In his essay on Washington in *The American Scene,* James argues that it is, above all, "the City of Conversation pure and simple, and positively the only specimen, of any such intensity, in the world." The Jamesian character, like the politician, talks a lot. And, like the politician, he pays careful attention not only to what he says but to what he leaves unsaid. A good novel about Washington would probably be in the Jamesian vein, but it is doubtful that any such novel will be written in the near future, for James' attitude toward the capital is distinctly the exception rather than the rule. Unlike most novelists and intellectuals, James approaches Washington with a genuine curiosity; as he says, he is not out to expose it or to ridicule its anomalies and drolleries. But, perhaps most important, all of James' work presumes that manners —in the deepest sense of that word—are supremely important, "real" in themselves, and not a way of disguising reality. James, then, was very much akin to the great European novelists who, according to Lionel Trilling, "knew that manners indicate the largest intentions of men's souls as well as the smallest." By contrast, most American novelists think that any activity in which manners play an important part is a radically inauthentic activity, in which only hollow and untrustworthy men thrive.

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The American writer's suspicion of the manners of politicians is most clearly seen in Ward Just's *Nicholson at Large* (1975), one of the better Washington novels because it does not trade on secrets or titillate us with grand, improbable events. Nicholson is a journalist who has written successful interviews of Washington insiders in which he tried to fathom what those who wield power are "really" like. Nicholson comes to realize, however, that to understand truly the burdens of public life, one must become a public figure. As if to further his research into the special demands of the public world, Nicholson thus decides to accept a position as a high official in the State Department—only to change his mind eventually and reject the job and in particular the Secretary of State, whom he tells off at a party.

The novel can be seen as a meditation on the relation of the private world to the public world, but in order to succeed it would have to take the claims of both worlds seriously. It seems to do so at first, yet in the end the claims of the public world dissolve before the reader's eyes. And those who live the public life—especially the Secretary of State—are made to seem like hollow men. The Secretary of State responds to Nicholson's fit of temper at the party with an "insider's smile, a special Washington smile." Public figures, Just implies, are like the Cheshire cat—all smile, no reality. No irony is intended when Nicholson marches off in triumph to live the very private life of a writer; he is seen as an honorable man for having resisted the chance to acquire an "insider's smile."

The strong and solitary private self of Nicholson—a characteristic role in American literature—makes the cautious and urbane public self of the politician look vulnerable indeed. The public figure cannot live a life of his own; he often has to hedge, equivocate, utter clichés—perhaps even lie. Rarely can he say what he thinks; rarely can he tell anyone off. And what he wants to do is often at war with what he has to do or feels obliged to do. Yet he has to make decisions—and usually has to make them quickly, acting in semidarkness. Henry Fairlie is right, I think, to say that "the most important fact about what politicians do is that they do not know what they are doing.... A politician must deal from day to day with what Bismarck called *imponderabilia*." Moreover, the politician's role is necessarily inauthentic because it is quite clearly a role. But is it not more difficult and demanding to play such a role —always performing, always on one's guard—than to be one's authentic self?

Novelists need not sing the praises of American politicians, but

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the inability of writers dispassionately to appreciate the distinctive nature of American political life is disturbing, because their novels both reflect and cater to the public's distrust of politics and politicians. Suspicion abounds. The politician may not be considered an out-and-out crook, but he is regarded as not quite trustworthy. In the past, it mattered little that most Americans looked down on Washington as a moral swamp, for the decisions made in Washington had little bearing on their lives. Now, though, everyone looks to Washington for redress, from farmers and miners to senior citizens and big businessmen. Yet, at the same time, if Washington novels are a good index of American attitudes, politics is regarded by most Americans as so much "political crap," as a character in Ehrlichman's novel puts it. One wonders how well America's political institutions can withstand this combination of strong expectation and deep distrust.

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Black economic progress since 1964

RICHARD FREEMAN

It has become increasingly clear that black Americans have made substantial advances in the job market since 1964. Numerous recent studies, based on diverse data sets and analytic procedures, have reported sizeable declines in the differences between blacks and whites in earnings, education, and occupational position.[1] After decades of little or no improvement in the relative economic position of blacks, the advances of the 1960's and 1970's represent a major social achievement and suggest that national anti-discriminatory policies have successfully altered the job market for black workers. At the same time, however, economic parity between most groups of blacks and whites has not been achieved, nor has the high incidence of poverty, unemployment, and social ills in the black community been eliminated.

How sizeable has the decline in discrimination been since 1964? Which groups of black Americans have benefited most? Which continue to suffer serious socioeconomic ills? In what ways have blacks responded to the reduction in economic discrimination? To what extent have anti-discriminatory policies contributed to the changes? What are the lessons for policy? Because socioeconomic change is a

[1] See the bibliographical note on page 68.

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complex phenomenon, these questions are not easy to answer. They have already generated considerable scholarly work and controversy, and will continue to do so in the future. Although the "final returns" are not yet in, it is important to assess as best we can the economic developments that have in many ways changed the life of the nation.

Measuring black gains

The amount of black economic gains since 1964 depends, at least in part, on the statistical measures used to evaluate the relative position of blacks in the market.[2] Statistical measures of relative positions serve two separate, though related, purposes. The first is to estimate the extent of marketplace discrimination, defined as differences among similarly qualified workers in wages, employment, and occupational position that can be traced to the bias of employers, employees, unions, or consumers. The ideal experiment would be to change the race (or religion, sex, etc.) of an individual and then observe what happens to his economic position. A possible practical experiment would be to present employers with job applications from workers who differ solely in race, and find out who is hired and at what pay. In the absence of such experiments or more direct measures of productivity (e.g., a batting average in baseball), observed differences in economic position must be adjusted for differences in individual abilities or other characteristics (schooling, family background, training, etc.) that can be expected to influence earnings or productivity.

Measures of relative economic position are also used to evaluate the overall economic well-being of a group, particularly to determine whether it has a higher incidence of poverty than another group. Market discrimination and economic well-being, though related, are distinct phenomena requiring separate statistical measures. Labor-market discrimination in the United States, for example, has been most severe against highly qualified blacks, although the incidence of poverty is higher among less well educated and skilled blacks. On the other hand, a group might face discrimination but have high incomes (as do overseas Chinese in some Asian countries). For historical reasons, including past discrimination, a group can come to the job market seriously disadvantaged and thus be in a relatively

[2] In this paper I use the term "black" in referring to data that relate to nonwhites, 90 percent of whom are black, as well as to data that relate specifically to blacks. Similarly, in several instances I use the term "white" to refer to the rest of the population, 90 percent of whom are white, as well as to whites only.

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poor position even in the absence of current discrimination. Changes in economic discrimination and economic well-being are likely to coincide, although they need not. For example, a decline in market discrimination, which raises the relative position of black workers, may have little or no effect on certain indicators of economic well-being, such as family income, which can change along with market opportunities, but also varies according to independent characteristics, such as the number of earners in a household.

Some of the confusion and controversy over the changing economic position of black Americans results from erroneously using family-income figures to measure market discrimination or, conversely, using the labor-market status of individuals to measure overall economic well-being. For example, little can be learned about the job market from comparing the income of middle-class black families, which often have two full-time workers, with that of white families, which do not, or from comparing the income of all black families, of which a large and growing number are female-headed, with that of predominately male-headed white families. On the other hand, comparing the economic status of individual black workers with that of otherwise comparable white workers reveals little about the relative economic position of black families. So it is necessary to make a sharp differentiation between the individual and the family, and between the measures appropriate to each.

A new job market

Aggregate statistical measures of individual income or occupational position reveal sizeable gains for blacks relative to whites after 1964. Computerized cross-sectional and longitudinal data on thousands of individuals corroborate the aggregate picture. In contrast to earlier findings, evidence covering the late 1960's shows a marked convergence between the return on the educational investment of black males (especially the young) and that of white males. The impact of race on earnings fell sharply between the 1960 and 1970 Censuses. Detailed investigation of the National Longitudinal Survey shows that the occupational position of young black men entering the market after 1964 is essentially the same as that of young whites with similar backgrounds. The 1973 Occupational Change in a Generation (OCG) survey reveals marked advances in the relative position of blacks, particularly those aged 25 to 34, compared to the 1962 OCG survey. Several studies dealing with other labor-market problems have found that the traditional large negative

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impact of race on economic status is now much smaller than in the past.

Some of the statistical evidence that a "new market" developed for black Americans is summarized in Table I, which records the changes in several measures of the relative economic position of

TABLE I. *Comparison of Black and White Economic Positions and Average Annual Changes in Ratios*[1]

	Ratio of Black (Nonwhite) to White Position		Annual Change in Ratio	
	1950	1975	1950-1964	1964-1975
Male				
Median wage and salary	.50[2]	.73	0.6[4]	1.2
Median wage and salary, year-round full-time workers only	.64[3]	.77	0.1[5]	1.0
Median "usual weekly earnings"	—	.78	—	1.0[6]
Index of occupational position	.76	.88	0.3[4]	0.7
Relative penetration				
Professional, technical, and kindred	.39	.65	0.4[4]	1.8
Management	.22	.41	0.0	1.7
Crafts	.41	.71	1.2	1.2
Female				
Median wage and salary	.40[2]	.97	1.8[4]	3.5
Median wage and salary, year-round, full-time workers only	.57[3]	.99	1.3[5]	2.3
Median "usual weekly earnings"	—	.94	—	2.0[6]
Index of occupational position	.49	.87	1.4	1.6
Relative penetration				
Professional, technical, and kindred	.47	.83	0.9	2.1
Clerical	.15	.69	1.3	3.3

[1] Source: Calculated from Bureau of Census, *Current Population Survey*, and *Consumer Income Reports*, and from Department of Labor, *Handbook of Labor Statistics* and *Employment and Earnings*.
[2] Refers to the year 1949.
[3] Refers to the year 1955.
[4] Refers to the period 1949-1964.
[5] Refers to the period 1955-1964.
[6] Refers to the period 1967-1975.

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black (nonwhite) workers. Because of the likely impact of Title VII of the Civil Rights Act of 1964 and Executive Order 11246, and the intensification of anti-discriminatory activity in their wake (including court rulings, private actions, and those of the Equal Employment Opportunity Commission, state fair-employment-practices commissions, and the Office of Contract Compliance), the table differentiates between changes in relative position before 1964 and changes from 1964 to 1975. And since market discrimination reflects the demand for labor, which depends on relative productivity and wages rather than absolute differences, all of the measures are expressed as ratios of the position of blacks to that of whites.

Three related income measures are used in both sections (male and female) of the table: annual wage-and-salary earnings, which depend on both rates of pay and time worked, and reflect changes in unemployment over the business cycle, since most of the unemployed work sometime during a year; the annual wage and salary earnings of "year-round, full-time" workers, which is obtained by eliminating the unemployed and short-time workers over the year, yielding a better measure of wage rates; and "usual weekly earnings" for all workers, including the unemployed—possibly the best available measure of rates of pay.

The fourth and fifth lines of both sections of the table turn from income to occupational statistics, which deserve particular attention since occupation is a relatively permanent phenomenon, involving long-term rather than transitory income. Unlike the income comparisons, which can be misleading if earners forego their current income in order to invest in opportunities that have the potential for higher future earnings, the occupation figures can be expected to reflect enduring economic advances. In the fourth line of both sections of the table, I estimate the economic value of a given job, calculate the proportion of black and white workers in that occupation, and then divide the black by the white measure to obtain an index of relative standing. (The incomes of all male and female workers are used to measure the economic value of a given occupation for men and women respectively.) When the distribution of blacks, relative to that of whites, shifts toward higher-income jobs, the index will rise; it will fall when the black job structure deteriorates. The fifth line of both sections measures the "relative penetration" of blacks into selected "good jobs"—the professions, management, and crafts for men, and the professions, management, and clerical jobs for women—by comparing the fraction of all black workers in those categories to the fraction of all white workers.

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When the value is one, blacks and whites are proportionately represented in an occupation; when it is below one, blacks are less than proportionately represented; when it is above one, they are more than proportionately represented.

Since the data in the table relate to large groups of workers and are not "corrected" for education, family background, region of employment, and the like, the comparisons are likely to overstate differences between blacks and whites that result from discrimination and to provide only rough measures of changes over time that result from changes in the job market. (More detailed analyses, based on multiple regressions, that tell much the same story as Table I, are found in the various papers cited in the bibliographical note.)

There are three basic findings in Table I. First and most important is the overall picture of relative black economic advance, especially after 1964. All of the indices show that black workers are markedly better off in 1975 than in the early postwar years. All but one of the measures (the relative penetration of black men into craft jobs) show much greater increases after 1964 than before, despite the smaller economic gap between blacks and whites before 1964 and the serious recession of the 1970's. Among men, there are at best modest increases in most of the measures before 1964, followed by sizeable changes thereafter. The income ratios rise by 0.6 and 0.1 points per annum before 1964 and by 1.3 and 0.8 points per annum thereafter. The overall index of occupational standing and the relative penetration of black males into professional, technical, and kindred jobs and managerial slots accelerated greatly after 1964. Among women, economic differences between blacks and whites declined rapidly before 1964 (in large part because of their movement out of household services into other jobs), but the table also shows a marked acceleration after 1964 in their relative median wage-and-salary income, which is roughly double the figure from the pre-1964 period, even with the rapid advances made earlier. The acceleration in the rate of relative black economic progress after 1964 is a necessary "first fact" in determining the impact on the job market of the diverse anti-bias activities that intensified in the mid-1960's.

Second, the changes indicate that the gains made by blacks after 1964 (attributed by some to the economic boom of the late 1960's rather than to more fundamental shifts in market discrimination) did not erode in ensuing years. In fact, despite the largest labor-market downturn since the Depression, the relative income and occupational position of black workers continued to rise in the 1970's. In 1969, at the peak of the Vietnam war boom, the ratio of the me-

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dian wage-and-salaries income of blacks to that of whites was .67 (for men), the ratio of year-round, full-time wages and salaries was .69, while the ratio of "usual weekly earnings" was .71—all figures much below those for 1975. The rate of advance by black males in the occupational structure also continued unabated in the recession, as did the income and occupational progress of black women. The fears that the changes first reported in my 1973 Brookings paper were purely cyclical has thus been completely disproven by later developments.

Finally, Table I reveals marked differences in the relative economic position of black men and women. Because of the more rapid gains achieved by black women in the postwar period, both before and after 1964, their income and occupational attainment are closer to those of white women than the economic position of black men is to that of white men. Within more narrowly defined groups of women, in fact, the statistics show that black women do almost as well as white women. For instance, among year-round, full-time workers, black women who are college graduates earned $10,104 in 1975, compared to $11,096 for their white counterparts; black females who are high-school graduates earned $7,230, compared to $7,400 for their white counterparts. In 1975, the principal obstacle facing black women in the job market was sex rather than race. Among men, by contrast, *overall* differences, though diminished from past levels, remain sizeable. Although the differences reflect too many factors to be attributed solely or even primarily to *current* market discrimination, the fact remains that overall economic parity between black and white men is far from established.

Winners and losers

Who has gained from the new labor market? Who remains seriously disadvantaged? Two groups of black men appear to have made the most substantial economic gains since 1964: the better educated and more skilled, especially the increasing number of highly qualified young black men who have entered colleges and universities; and those from more advantaged family backgrounds.

Consider first the economic position of black men with different levels of schooling. Prior to the late 1960's and early 1970's, the ratio of black income to white income *fell* as educational attainment rose. The rewards of going to college for black men were much below the rewards for otherwise comparable white men (perhaps accounting for some of the differences in enrollment rates). In the 1970's, the

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situation is quite different. At the top of the educational hierarchy, black Ph.D.'s appear to earn about as much as white Ph.D.'s ($21,200 versus $21,000 in 1973, according to National Science Foundation data). The median "usual weekly earnings" of black men with five or more years of college averages 94 percent of those of comparable white men; black graduates beginning in engineering and business fields earn about the national average; and incomes tabulated from the March 1975 *Current Population Survey* show black college men aged 25 to 29 earning 93 percent as much as their white peers, compared to sizeable disadvantages for high-school or grade-school graduates. Estimates of the rate of return on investments in college education suggest higher returns for blacks than for whites (largely because of the poorer opportunities facing young black high-school graduates). Not surprisingly, although the proportion of 18- to 19-year-old white males going to college has dropped in the 1970's, the proportion of 18- to 19-year-old black males has risen. Overall, better-educated young black males fared better after 1964 than less-educated older black males.

Occupational figures provide further support for this generalization. The relative income of black male professionals and managers increased more rapidly than that of less skilled workers. The proportion of black college men obtaining managerial jobs—historically small, relative to whites—rose sharply: In 1964, a black graduate was 41 percent as likely as a white to obtain a managerial job; by 1975, the likelihood had risen to 67 percent. Indicative of the changing opportunities for highly qualified young black men is the marked shift in their career preferences and educational choices. In the early 1960's, black college men were over-represented in education. In the 1970's, they were over-represented as business and accounting majors with intentions to work in industry.

The economic advances of the period also apparently favored young blacks from better family backgrounds. Prior to the anti-discriminatory activity of the 1960's, sociological studies of the relation between background and economic position showed that parents played only a minor role in black economic achievement. Otis Dudley Duncan's analysis of the 1962 OCG survey showed that "the Negro family [was] less able than the white to pass on to the next generation its socioeconomic status." If you were black, it did not matter much what the socioeconomic status of your parents was; discrimination dominated your position in the labor market.

Studies of the period after 1964 show a very different pattern of "status transmission." A replication of Duncan's analysis by R. M.

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Hauser and D. L. Featherman, using the 1973 OCG survey, reveals marked increases in the effect of background on achievement among blacks. In 1973, the impact of parental socioeconomic status on the education and labor-market standing of blacks was similar to that of whites. My analysis of older and younger men in the National Longitudinal Survey yields comparable results: Family background has only slight effects on the labor-market achievement of older black men but a sizeable impact on the position of young black men. A 10-percent increase in the index of the occupational position of one's father in 1969 would have the following effects on the hourly pay and occupational status of older and younger black and white men:

TABLE II. *Estimated Effect of a 10-percent Increase in the Index of Parental Occupational Position**

	HOURLY EARNINGS	OCCUPATIONAL STATUS
Older Men (aged 48 to 62)		
Black	0.2%	0.3%
White	2.2	2.4
Younger Men (aged 17 to 22)		
Black	1.7	2.0
White	1.6	2.3

* Source: National Longitudinal Survey.

The differential gains made by various groups of black workers can be attributed in part to the nature of the job market. Advances are concentrated among young workers because they constitute the effective "margin of adjustment" in employment. The young are not significantly hampered in the job market by past discriminatory practices and human-capital-investment decisions, which "lock" older workers into career paths and seniority ladders from which change is difficult. Improved opportunities for crafts apprenticeships or a college education will aid the 18- to 24-year-old black male but not the 45-year-old laborer. The sharp advances made recently by the highly educated and skilled also reflect the previous existence of discriminatory barriers that were most severe for the most highly qualified blacks, and the likelihood that they share the work attitudes of comparable whites. Blacks from more advantaged homes are also likely to have benefited more than poorer blacks from family investments in skills that make them more adept at responding to new opportunities. Black women have experienced a rapid improvement in economic position in large measure because experience, for

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whatever reason, has a lower impact on the earnings of women than men, so that improvements in starting jobs translate more rapidly into improvements in the relative incomes of women than of men.

Background disadvantages

The decline in market discrimination against young blacks and the increased role of family background in their achievement raises the possibility that differences between the backgrounds of blacks and whites—the lower income and educational attainment of black parents, the greater incidence of fatherless homes among blacks, and the social ills associated with inner-city life—have become a much more important element in economic inequality than in the past. As long as background differences between blacks and whites have not diminished greatly, the drop in job-market discrimination implies that a larger proportion of economic differences between the two groups are attributable to the "burden of background." This is a major change in the nature of racial economic inequality, which suggests the need for different social policies to deal with it.

Estimates of the importance of family background for the educational and labor-market position of young blacks versus that of whites, based on data from the National Longitudinal Survey, are given in Table III. In the calculations for education, background is measured by parental years of education, median income in the occupation of the parent, presence of a male head of household, and three indicators of "home educational resources" (presence in the home of magazines, of newspapers, and of a library card). In the calculations for labor-market position, background is measured by the median income in the occupation of the parent, since the other factors operate largely through education. By all of these measures, young blacks suffer a substantial disadvantage: The parents of the young black men in the sample average 7.9 years of schooling, versus 10.5 years for whites; 40 percent of the blacks are from "broken homes," compared to 12 percent of the whites; the index of parental occupational attainment reveals an 80-percent black disadvantage; and 45 percent of black homes have magazines, 69 percent newspapers, and 47 percent library cards, compared to 80 percent, 92 percent and 74 percent of white homes, respectively.

The impact on the educational and labor-market attainment of young men in 1969 was calculated by multiplying each background difference by regression estimates of the effect of each factor. The first line of Table III gives a measure of the initial difference be-

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TABLE III. *Estimated Effect of Background Factors on the Educational and Economic Attainment of Young Black Men (1969)*[1]

	Years of Schooling	Index of Occupational Attainment	Hourly Earnings[2]	Yearly Earnings[2]
Measure of difference between black and white attainment	1.6	.20	.33	.44
Percentage Contribution of Background				
Parental occupation[3]	31%	25%	28%	7%
Parental education	25	——	——	——
Broken home	6	——	——	——
Home educational resources	44	——	——	——
Years of schooling		40	36	34
Region and place of residence	–6	15	24	11
Total contributions of factors	100%	80%	88%	72%
"Residual" differences	0.0	.02	.03	.12

[1] Source: Based on calculations from the National Longitudinal Survey.
[2] Adjusted for years of work experience lost because of the lower age of blacks in the survey and some patterns of intermittent work experience.
[3] Because black workers have traditionally been paid less than whites in the same occupation, which is likely to affect the impact of the family on achievement, *the occupational status of black parents is measured by nonwhite median incomes, while that of white parents is measured by total median incomes.*

tween young blacks and whites in 1969. The second line shows the percentage of the disadvantage attributable to specific background resources. The next-to-last line gives the total contribution of background factors, while the last line shows the "residual" difference—usually termed discrimination.

While the table is too dependent on the specific models, measures of background, and samples used to present anything more than a rough estimate, it does tell a striking story. *All* of the differences in educational attainment appear to result from the poorer family background of blacks. Most, though not all, of the differences in occupational attainment, hourly earnings, and yearly earnings are attributable to differences in parental background, years of schooling, and region and place of residence. The effects of "residual differences" on occupational attainment and hourly earnings are relatively moderate, but high on yearly earnings. The markedly greater difference between blacks and whites in yearly compared to hourly

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earnings reflects the high incidence of unemployment among young blacks. For those with full-time jobs, "residual discrimination" is modest, and could be readily attributed to any of several factors not examined in the analysis. So the big problem in the labor market is not wage or occupational discrimination within businesses but lack of employment altogether. For those "in the system," particularly those with more education and better backgrounds, the improvement in the job market after 1964 has greatly reduced economic differences between blacks and whites. For those who have not entered the mainstream of the labor market, for whatever reasons, sizeable problems remain.

As evident from Table IV, the decline in job-market discrimination after 1964 has erased only part of the enormous background disadvantage of young blacks. While there has been improvement in the relative economic position of the black family, the change has been slower than for individual earners and has essentially ceased with the recession of the 1970's (see the first line of the table). In 1969, the ratio of black median family income to white stood at .61, 7 points higher than the pre-Civil-Rights-Act level of .54; between 1969 and 1975, the ratio remained roughly stable at .62. Why did family incomes rise differently than individual incomes? The major factor has been the increased proportion of black families headed by women. Between 1964 and 1969, the proportion of black homes with female heads rose from 25 percent to 28 percent; between 1969 and 1976, the proportion increased further to 36 percent. Throughout the period of decline in job-market discrimination and improved income ratios, the "deterioration" of the black family structure, which Daniel P. Moynihan first stressed in 1965, continued at a rapid pace, with an adverse impact on the rate of change of median family

TABLE IV. *Differences Between Blacks and Whites in Family Background**

	1964	1969	1975
Ratio of black median family income to white			
All homes	.54	.61	.62
Male-headed homes	.57	.71	.75
Female-headed homes	—	.61	.64
Percentage of black families with female heads	23%	28%	36%

* Source: Bureau of the Census, *Current Population Reports*, Consumer Income, Series P-60, and Special Studies, Series P-23.

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incomes. As the table shows, the ratio of black incomes to white among families with fixed demographic characteristics actually rose in the 1970's.

For the young person, what matters is the position of his family. With the problems of crime, quality of education, and life in the inner cities, the differences in family income and structure create a barrier to the socioeconomic progress of young blacks. Discrimination aside, disadvantages of these magnitudes can be expected to produce sizeable labor-market differences between blacks and whites, ranging from 10 percent to 20 percent, which by their nature cannot be eliminated by anti-bias policies in the labor market and which promise continued economic inequalities into the foreseeable future.

The employment problem

Lack of jobs for less qualified and disadvantaged black workers, including teen-agers, is a large problem that has been exacerbated by the recession of the 1970's. While there is some evidence that the recession has reduced black employment opportunities somewhat less than previous recessions, the fact is that blacks suffer excessively in economic declines, and the recession of the 1970's has been particularly severe. Table V examines the employment problem in terms of the nonwhite share of various groups of men aged 16 and over and 25 to 34. While the nonwhite share of the population groups has risen, the nonwhite share of the labor force and of employed workers has remained roughly constant (or increased only slightly) from 1964 through 1976. As a consequence, the proportion of nonwhites employed has fallen relative to the proportion of whites employed. In 1964, 73 percent of nonwhite men aged 16 and over were employed; in 1969, 73 percent; and in 1976, 62 percent. By contrast, the proportions of whites employed in those three years were 78 percent, 78 percent, and 73 percent. As can be seen in the fourth and fifth lines, the drop in the total of employed workers has taken the form *not* of an increase in the black share of the unemployed (which has fallen in the recession) but of an increase in the black share of those out of the labor force entirely.

These facts highlight the sharp divergence between black Americans whose qualifications and background have won them a place in the economy since 1964 and those left out of the mainstream—such as black teen-agers, whose lack of jobs is even more severe and exacerbated by the recession. In 1964, the unemployment rate for

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TABLE V. *Nonwhite Proportion of Population and Labor-Force Groups, 1964-1976**

	MALES AGED 16 AND ABOVE			MALES AGED 25-34		
	1964	1969	1976	1964	1969	1976
Population	10.1%	10.4%	11.0%	11.1%	11.0%	11.5%
Labor Force	10.0	10.0	10.0	10.9	10.7	10.9
Total Employed	9.6	9.8	9.8	10.4	10.5	10.4
Total Unemployed	19.3	18.9	18.1	24.0	19.1	19.3
Non-Labor-Force Participants	10.7	11.9	14.8	17.0	18.7	22.9

* Source: Department of Labor, *Employment and Training Report of the President, 1977.*

18- to 19-year-old blacks was 23.1 percent, compared to 13.4 percent for 18- to 19-year-old whites. In 1969, the rates were 19.0 percent (black) and 12.5 percent (white); in 1976, 34.0 percent (black) and 15.5 percent (white). In the high-school graduating class of 1976, the unemployment rate for blacks was 46.2 percent as of October 1976, but 15.1 percent for their white classmates. Even if teen-age unemployment has no long-term consequences for the career prospects of young persons, the immediate impact is still severe. If, as is more likely, those who have an adverse labor-market experience as teen-agers suffer for much of their working life, the problem is even more critical.

Finally, it is important to remember that large groups of experienced black workers, as well as less qualified young persons, have benefited only modestly from the decline in job-market discrimination. Because male occupations require considerable investment in skills and experience and often have lengthy, formal seniority systems, experienced black workers face the problem not simply of gaining equal opportunities today but of making up past deficiencies in education and work skills. The ratio of black income and occupational standing to white among older workers increased only moderately since 1964. With some exceptions, black men aged 35 or more continued to earn much less than their white counterparts.

More striking, the labor-force-participation rate of experienced black men has declined sharply. In 1948, 95.6 percent of black men aged 45 to 54 were in the labor force; in 1964, 91.6 percent; in 1969, 89.5 percent; and in 1976, 83.4 percent. This decline may reflect the impact of the growth in female-headed families among blacks, which could be expected to reduce the incentive for men to work, or it could result from the uneven impact on male and female earnings of the lessening of discrimination, with the increased ratio of female

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income to male weakening the family system. The decline may also reflect the response of older black men to the recession of the 1970's. For some blacks, it may also be the result of increased Social Security Disability Insurance funds for disabled workers (disproportionately black) who leave the work force. In any case, the job-market position of many black men has been only modestly improved by reducing market discrimination. Even if economic parity were to be established among the young, differences among older workers guarantee persistent differences between black and white workers in the foreseeable future.

The lessons for policy

The magnitude and incidence of black economic gains after 1964, which have persisted in the 1970's despite the recession, and the relative increase in the number of black workers have several implications for current and future national policy toward those suffering discrimination or disadvantages. The changed job market after 1964 and the changes in corporate personnel policy and recruitment practices suggest that the national anti-bias effort, which became intense in the mid-1960's, has significantly altered the economic opportunities for black workers. Although it is hard to determine which policy instruments account for the new situation—equal-employment-opportunity laws, affirmative action, court rulings, renewed activity by state fair-employment-practices commissions—it is difficult to know what alternative explanation would be plausible. A cyclical explanation is ruled out by the continued relative progress of blacks in the 1970's. An explanation based on changes in supply is ruled out by the relative *increase* in the number of black workers. And discussions with corporate decision makers make it clear that the change in job opportunities would not have occurred in the absence of the national anti-bias effort. Of course, this is not to say that current levels of spending or activity are satisfactory or, in the long run, socially desirable. Problems of Federal reorganization, administrative change, "reverse discrimination," and the like make it clear that there is nothing "optimal" about current policies. But past efforts appear to have been effective in producing change.

Moreover, simply ending job-market discrimination and guaranteeing equal employment opportunity will not achieve parity between blacks and whites in the foreseeable future. Anti-bias policies along the lines of the 1964 Civil Rights Act and the 1972 amendments cannot alter the family structure, compensate for low social

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origins, or remove the burden of past discrimination. The advances of the 1960's and 1970's still leave sizeable black/white economic differences among all men (but not women) and among families.

The greater gains of blacks from more advantaged homes and the heightened impact of family background on black achievement suggest that the "burden of background" will remain a major deterrent to socioeconomic equality. What responsibility should the society take for helping blacks to overcome long-run disadvantages? To what extent should it also help whites with disadvantaged backgrounds? Since part of the background disadvantage of blacks results from past discrimination, should they merit special compensatory or redistributive programs? Or should all disadvantaged persons be aided in the same manner?

The related problems of family compensation and income differences raise more complex and controversial issues. Subsidies to female-headed homes (for instance, Aid to Families with Dependent Children) create an incentive for family disruption, which of course should be minimized. Other income guarantees to families also create incentive problems. Society need not be concerned with differences in family income resulting from differences in the number of adult earners, but it must consider the effects on the children of low-income families. Perhaps the most reasonable policy, one used in many countries, would be to provide child allowances to bring about some equalization among the young. It is difficult to see how other, less purely redistributive policies can alleviate the effect of family-income differences on the young.

As for unemployment, although it will decrease among blacks along with economic recovery, rates of black unemployment are unlikely to fall to acceptable levels. New methods of stabilizing employment in a recession may have to be found. New policies toward youth unemployment are needed to help disadvantaged inner-city blacks find meaningful first jobs and appropriate schooling and training.

Finally, the apparent reduction of job-market discrimination must not be taken to mean that the equal-employment effort should be weakened. If discrimination is a recurrent "disease," continual inoculations and monitoring are needed. On the other hand, the fact that past efforts have been reasonably successful does not imply that future efforts should be intensified or indicate which aspects of present policy should be stressed in the future. More detailed evaluations of the effects of public expenditures are required to make such judgments. Continued success in reducing market discrimina-

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tion along the lines described is, in any case, unlikely to eliminate economic differences between blacks and whites in the foreseeable future. For those who remain seriously disadvantaged, anti-bias activity is not enough.

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The class conflict over abortion

PETER SKERRY

THERE are several persistent misconceptions about the continuing controversy over abortion in the United States. One error is to dismiss anti-abortion sentiment as nothing but the view of a few well-financed zealots. Evidence from national opinion polls, however, demonstrates widespread opposition to abortion on demand (which, in essence, is what the Supreme Court granted in 1973 with its decisions in *Roe v. Wade* and *Doe v. Bolton*). It is a serious mistake to underestimate the strength of the anti-abortion movement, which was able to bring 40,000 marchers to Washington in January 1977, during one of the coldest winters on record. Moreover, the 201-to-155 majority by which the House of Representatives, in June 1977, passed the Hyde amendment (which would prohibit Federal funding of all abortions, even when necessary to save a mother's life) certainly reflects a significant level of nationwide anti-abortion sentiment.

Another common mistake is to identify the Catholic church as the instigator of opposition to abortion reform. This interpretation ignores survey data that consistently demonstrate that Catholics today are only marginally more opposed to abortion than non-Catholics. It also seriously overestimates the influence of the church over its members, and overlooks evidence of a serious split between the bishops and their flock on crucial issues such as birth control.

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Above all, the preoccupation with the religious aspect of anti-abortion sentiment has diverted attention from cleavages along social-class lines. There is much evidence to suggest that abortion is part of a network of cultural issues—including gay rights, pornography, and sex education—that threatens to divide further the traditionally Democratic working and lower-middle classes from the reform wing of the party and perhaps from the mainstream of American politics. Abortion is part of a larger cultural conflict between certain strata of the upper-middle class—the highly educated professionals, scientists, and intellectuals—and the mass of Americans who comprise the working and lower-middle classes. In its rhetoric, abortion reform has reflected the upper-middle-class bias of the women's movement from which it emerged. Some reformers explicitly link their efforts to a critique of the nuclear family and traditional sexual morality. Others assert the right of a woman to control her own body, while ignoring or dismissing the rights of the spouse and of the parents of unmarried minors.

No one is surprised that the defense of traditional moral and sexual values underlies the resistance to abortion reform. According to educated public opinion, such resistance is rooted in the irrational, unenlightened attitudes associated with repressed sexuality. But such a narrow psychological view overlooks important sociological aspects of anti-abortion sentiment. Opposition to abortion may in fact have roots far less ominous and obscure.

Court opinion vs. public opinion

In January 1973, the Supreme Court struck down a Texas statute prohibiting abortion except to save a mother's life. In *Roe v. Wade,* the Court found such statutes to be in violation of a woman's constitutional right to privacy, and declared that the state has no "compelling interest" to intervene during the first trimester of pregnancy, and only a regulatory interest to protect maternal health during the second trimester. The Court did rule that the states may regulate and even prohibit abortion of viable fetuses in the third trimester—"except where necessary, in appropriate medical judgment, for the preservation of the life or health of the mother." But in the accompanying *Doe v. Bolton* decision, the Court emphasized that it interpreted "health" in the broadest possible physical, emotional, and social terms.

Abortion on demand, as embodied in these decisions, stands in stark contrast to prevailing public attitudes. As recently as 1977,

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only 30 percent of the respondents in a national Gallup survey approved of legal abortion when they were asked the following question:

> Do you think abortion operations should or should not be legal where the parents simply have all the children they want although there would be no major health or financial problems involved in having another child?

As Table I indicates, this level of approval has not changed substantially since 1972. In this question, however, the word "simply"

TABLE I. *Attitudes Toward Elective Abortion (Men and Women)**

	MAY 1968	DEC. 1968	1969	1970	1972	1973	1974	1977
Approving	11%	13%	14%	23%	27%	27%	31%	30%
Disapproving	85	81	79	69	67	68	63	63
No opinion	4	6	7	8	6	5	6	7
Total	100%	100%	100%	100%	100%	100%	100%	100%
Total respondents	1,611	1,517	1,560	1,525	1,513	1,550	1,583	1,549

* Source: Gallup surveys of voting-age adults.

might be taken as implying that the justifications offered are not sufficient. We should also examine the responses to another question that avoids this possible negative bias:

> Do you believe that there should be no legal restraint on getting an abortion—that is, if a woman wants one she need only consult her doctor, or do you believe that the law should specify what kinds of circumstances justify abortion?

This query elicited approval of abortion without legal restraint from about 40 percent of those interviewed in 1972 and 1974. (See Table II.) On the basis of these and other national survey data,

TABLE II. *Attitudes Toward Legal Restraints on Abortion (Men and Women)**

	SEPTEMBER 1972	SEPTEMBER 1974
No legal restraint	39%	40%
Law should specify circumstances	54	53
No opinion	7	7
Total	100%	100%
Total respondents	1,546	1,583

* Source: Gallup surveys of voting-age adults.

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Professor Judith Blake, a demographer at the University of California who has been assessing abortion attitudes for over a decade, recently concluded (in *Population and Development Review*, March and June 1977) that approval of abortion on demand "in the United States in the mid-1970's hovers around 40 percent."

These findings conflict with the frequently made claim that a majority of Americans endorses the Supreme Court's decisions. For example, the United States Commission on Civil Rights, in *Constitutional Aspects of the Right to Limit Child-bearing*, cited a November 1974 Gallup survey in which 51 percent of the respondents agreed with this statement: "Abortions through the third month of pregnancy should continue to be legal." By itself, this is scant evidence of majority support for first trimester abortions; yet the Commission went on to claim majority support for the 1973 decisions—which permit abortion virtually on demand *throughout* the period of pregnancy.

Also frequently cited by abortion reformers are a June 1972 Gallup survey, in which 64 percent of the respondents agreed with the proposition that "The decision to have an abortion should be made solely by a woman and her doctor," and a February 1976 *New York Times*-CBS News poll, in which 67 percent agreed with the similar statement that "The right of a woman to have an abortion should be left entirely up to the woman and her doctor." But these high rates of approval do not stand up to scrutiny. Six months after the 1972 Gallup poll was taken, another Gallup survey found that only 46 percent approved of first-trimester abortions. And in April 1975, in an effort to test directly this question, Professor Blake inserted the following item in the Gallup survey: "Are you in favor of a law which permits a woman to have an abortion even if her husband is against it?" Only about a third of the respondents said Yes.

Of course, these data present only one aspect of public opinion. As Table I shows, despite persistently high levels of disapproval, opposition to abortion on demand has in general declined since 1968. As we have suggested, a majority of Americans approves of abortion under specific circumstances. Table III presents the results of a recent National Opinion Research Center poll eliciting responses about abortion under six different conditions. In 1972 and 1975 there was clear majority support for legal abortion in cases in which a woman's health is endangered, or the pregnancy results from rape, or there is the possibility of a deformed baby. In both years there was also slight majority support for cases in

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which the family cannot afford another child. It is also evident from Table III that majority support *did not* exist if the justifica-

TABLE III. *Approval of Legal Abortion Under Varying Circumstances (All Respondents)**

	1972	1975
Woman's health	89%	91%
Rape	82	85
Not married	46	49
Defect in baby	82	85
Low income	51	54
Not want more children	41	46

* Source: National Opinion Research Center surveys of 1200-1500 white adults (March 1972 and March 1975).

tion is that a woman is unwed or does not want any more children. These results have been replicated in other national surveys and, significantly, reveal widespread opposition to abortion for nonmedical or "discretionary" reasons.

The information in Table III is perhaps most interesting for what it reveals about the kinds of questions national surveys *do not* ask. The items presented are representative of the most frequently asked questions about abortion. With the two exceptions mentioned above, surveys assume that the couple facing the abortion decision is married or is not in conflict over the decision. In 1975, however, 74 percent of the approximately one million abortions were performed on *single* women and 65 percent were on women under 25. The limitations of the survey data are thus apparent: Legalized abortion is used primarily by young and unmarried women preventing or postponing the formation of families, not by married women limiting their families. Abortion is thereby perceived as representing a challenge to traditional family values. Unfortunately, national surveys as presently constructed are of limited use in exploring this element of the abortion controversy.

A religious controversy?

Much discussion has focused on the impact of religion on attitudes toward abortions. With its virtually total ban on abortion and its active support of the anti-abortion movement, the Catholic church has come under severe criticism from pro-abortion activists. But although it is often assumed that Catholics as a group are sig-

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TABLE IV. *Approval of Legal Abortion Under Varying Circumstances (By Religion)**

	PROTESTANT		CATHOLIC	
	1972	1975	1972	1975
Woman's health	91%	91%	83%	86%
Rape	84	84	76	79
Not married	46	46	33	43
Defect in baby	85	84	72	77
Low income	52	53	38	45
Not want more children	41	44	30	39

* Source: National Opinion Research Center surveys of 1200-1500 white adults (March 1972 and March 1975).

nificantly more opposed to abortion than Americans generally, the available opinion surveys challenge this notion.

Table IV presents the data in Table III broken down by religion. While Catholics do tend to be more opposed to abortion under the circumstances indicated, the differences between Catholics and Protestants are relatively slight.* More importantly, since the 1960's the gap between the two groups has been narrowing. Given the margins of error within which these surveys operate, the differential today is quite small.

At the same time, it is difficult to ignore the importance of Catholic support of the anti-abortion movement. As Ray L. White, the executive director of the National Right to Life Committee (and a Mormon) has said, "The only reason we have a movement in this nation is because of the Catholic people and the Catholic church. The rest of us would hardly make a ripple." But Catholic domination of the movement must be seen as a consequence of the sheer organizational power of the church—the most centralized church bureaucracy in America, administering to the single largest denomination.

Attention to the religious aspect of the present controversy, however, has obscured the persistent relationship between abortion attitudes and social class. Table V presents the results of a recent Gallup survey by education, income, and religion. The college-educated and affluent are clearly most in favor of abortion

* What these data do not reveal are the consistently large differences between Catholics and Protestants on the one hand and Jews on the other. Jews are invariably more supportive of abortion, with at least 80 percent approval in all six of the circumstances cited in Table IV. Some of this difference would undoubtedly disappear if education were controlled, though substantial disparities would presumably remain. The extent to which conflict over abortion is conflict between Jews and non-Jews is an important topic beyond the scope of this article.

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according to this poll. The response to the statement "Abortions through the third month of pregnancy should continue to be legal" shows a strong positive relationship between support for abortion and both income and education—a stronger correlation, in fact, than the relationship between pro-abortion sentiment and Protestant affiliation.

TABLE V. *Attitudes Toward Legal Abortion Through the First Trimester**

	APPROVE	DISAPPROVE
National	51%	49%
Education		
College	71	29
High School	49	51
Grade School	30	70
Income		
$20,000 and over	62	38
$15,000-$19,999	64	36
$10,000-$14,999	52	48
$ 7,000-$ 9,999	47	53
$ 5,000-$ 6,999	42	58
$ 3,000-$ 4,999	38	62
Under $3,000	38	62
Religion		
Protestant	52	48
Catholic	41	59

*Source: National Gallup survey; Gallup Monthly Opinion Index, November 1974 (No. 113).

These kinds of findings, replicated in countless other polls, led Professor Blake to conclude in the early 1970's (in *The Abortion Experience*, edited by Howard J. Osofsky and Joy Osofsky) that a social-class gap was developing in abortion attitudes, more significant than any religious differences:

> The social-class difference in attitudes toward abortion continues to supersede that by religion . . . although Catholics are more negative than non-Catholics and the gap between them seems to be widening, the population is far from being polarized along religious lines. The closest we come to a deep division by social characteristics is the educational differential, where the college-educated are decidedly more in favor of nonmedical reasons for abortion than are those of lesser education.

In recent years, new analyses have refined this interpretation of the data. For example, the work of Arthur Stinchecombe at the

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National Opinion Research Center refutes the notion that social class (if it is defined in terms of educational status) is necessarily more important than religion in its effect on abortion attitudes. Controlling for education within religious groups, he finds that the impact of education varies from one denomination to another. For instance, Protestants from "liberal" denominations are more influenced by education than are Catholics; college-educated Catholics are less favorable toward abortion than similarly educated Unitarians. Nevertheless, within each religious group there is a positive correlation between pro-abortion attitudes and education. Thus, we are left with the conclusion that social class is an important, and largely ignored, factor in abortion attitudes.

Defending the family

How shall we account for this persistent relationship between social class and opinion concerning abortion? We have already suggested one possibility: the sharply divergent attitudes among social classes toward the family.

That such differences exist is obvious. Less apparent is the emergence of the family as the focus of conflict among social classes that seems most intense between certain segments of the upper-middle class—in particular the highly educated cosmopolitans in the professions, sciences, and arts—and the working and lower-middle classes. For what underlies recent critiques of the family is the assumption that its few remaining functions should be assumed, as much as possible, by less "antiquated" institutions. This notion reflects the ideology of professionals, who tend to exaggerate the deficiencies of institutions to which they administer expert advice, or the bias of highly mobile and achievement-oriented individuals, who view the family as an obstacle to their own development and advancement. In any event, the increasing disaffection with the family among the upper-middle class contrasts sharply with developments among the working and lower-middle classes.

The work of social scientists of an earlier generation, such as Herbert Gans, Lee Rainwater, and Mirra Komarovsky, described the intense family life of the working class. Their studies showed that for the mass of Americans the family was rarely conceived of as an isolated nuclear unit, but rather as a clan—a dense network of relationships among grandparents, parents, siblings, aunts, uncles, cousins, and in-laws. Although the working class (and the lower-middle class) subscribed to the general norm that married couples

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established their own nuclear households, relatives tended to live near one another (often within walking distance) and continued to rely upon one another for material and emotional support. Although commonly referred to as an extended family, this structure might have been more accurately called a multi-nuclear family. The family was thus the focus of social life for most Americans.

Contrary to the claims of recent critics of the family, the situation today is not much different. In her recent study of working-class family life, *Worlds of Pain,* Lillian Rubin found that the reliance on the multi-nuclear family persists. Even in the supposedly rootless California subdivisions Rubin visited, working-class couples live near their relatives and see them more often and more regularly than anyone else. Relatives are the people whom they trust with their children and with whom they most intensely share their lives.

Less surprising perhaps, but equally significant, are the findings of William Kornblum's recent study of working-class life in the ethnic neighborhoods of South Chicago, *Blue Collar Community.* Kornblum attributes the dogged resistance to integration among the urban working class to the continuing importance of kinship ties:

> For many South Chicago adults who spend the bulk of their lives among their extended kin, the potential loss of their neighborhood threatens more than their status and class mobility, or the security of their participation in a yearly round of ethnic or neighborhood events. *Loss of the neighborhood may also mean the end of a family organization which is the prime concern of their lives* [emphasis added].

Of course, some things have changed in the past 20 years. In particular, recent research indicates important developments in the way husbands and wives relate to one another. The sex segregation and lack of communication between spouses characteristic of an earlier generation are giving way to a more nearly equal, companionate form of marriage (what Peter Willmott and Michael Young have called the "symmetrical family"). Working-class women in particular no longer seem as willing as their mothers were to put up with withdrawn, uncommunicative husbands. At the same time, working-class men, less drawn by the all-male clique outside the family, spend more time with their wives and children. In this respect the life of the working class increasingly resembles that of the lower-middle class, which also shows no signs of lessening its reliance on the family.

These developments suggest that the family is assuming *greater*

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importance for most Americans. In the United States during the postwar period, a steadily rising standard of living, relatively stable employment, and government policies (such as those favoring mass homeownership) have all encouraged workers to turn to family relationships for the satisfaction of their emotional needs. At the same time, the continuing inadequacy of work to meet those needs, particularly for jobholders at the base of the occupational pyramid, reinforces this tendency. As one building laborer put it to Willmott and Young: "Your family are your life, aren't they?"

The contrast with the upper-middle class could not be more vivid. A career in the professions or management requires a commitment and offers rewards that a mere job does not. In the upper-middle class, the demands of work are more intense and pervasive; the sharp distinction made by the production worker between work and home disappears. And the tension between family and career is heightened by the ethos of achievement. When the truck driver moonlights or works overtime, he is probably doing it to provide for his family. For the ambitious lawyer, however, hard work is tied less to necessity than to some notion of individual fulfillment. Moreover, there is evidence that those who take their work seriously also take their leisure seriously—even when it means spending time away from their families. Sports and hobbies requiring diligence and application seem to attract those who also throw themselves into their careers. The achievement ethic does not confine itself to work, and here again the needs of the individual and his or her family are in tension.

An emotional haven

But much more than a turning toward the family, the emergence of the symmetrical family among the working and lower-middle classes represents a turning away from the world outside. It is frequently noted that as the family has lost many of its social and economic functions to other institutions, it has become increasingly important to the psychological well-being of individual family members—as an emotional haven from what is perceived to be an increasingly hostile environment.

This is nowhere more apparent than in the child-rearing attitudes of working-class and lower-middle-class families. Parents today invest more time and emotional energy in their children than their own parents did. Relieved of the severest economic hardships, their family life has become more child-centered. Children have

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become the focus of parental aspirations, however modest. Both the working class and the lower-middle class are jealously protective of their children and especially reluctant to entrust them to professionals, whom they view as likely to impose alien values. These parents avoid sending their children to day-care centers. When mothers work (which is increasingly the case), they make arrangements with trusted friends and neighbors or preferably relatives. Working-class and lower-middle-class parents even feel ambivalent about sending their children to school. One young mother told Lillian Rubin:

> I think little kids belong at home with their mothers, not in some nursery school that's run by a bunch of people who think they're experts and know all about what's good for kids and how they're supposed to act. I saw some of those kids in a nursery school once. They act like a bunch of wild Indians, and they're dressed terrible and they're filthy all the time.

The textbook controversy in West Virginia and, to some extent, the busing crises in the Northern cities are also manifestations of this suspicion regarding professionalism and its alien values.

Differing class attitudes about the family are most evident among women. The enthusiasm of affluent women for the women's movement hardly needs elaboration. As the ethic of individual achievement is taken more seriously by well-educated, upper-middle-class women, the burdens of raising a family appear more onerous, especially compared to the remunerative and often rewarding careers of men they know. At the extreme, a notion of childless marriage is emerging (also prompted by fears of overpopulation). Ellen Peck, an officer in the National Organization for Non-Parents, put it this way:

> Given the complexities of the task and the urgent need to further curb our birth rate, it would be far wiser to regard parenthood as a specialized occupation—and childlessness as our cultural norm.

This attitude strikes at the heart of the lives of working and lower-middle-class women, who see such extreme comments as typical of the entire women's movement. One woman remarked to Rubin: "They put you down if you want to be married and raise kids, like there's something the matter with you." The fact is that working-class and lower-middle-class women still invest most of their energy in their roles as wives and mothers, even though more and more of them work outside the home. (Given the types of jobs they have, this is understandable.) They are not, however,

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untouched by the women's movement: They will no longer suffer insensitive treatment by their husbands, but they still respect their husbands' authority, and yield to it (perhaps because they suspect that in the outside world few people will). Similarly, many of these women are ambivalent about equal pay for equal work: While they accept the principle, they hesitate to think that a woman should deprive a man of the opportunity to support his family.

The unchanging reality for these women, and for their men, is that marriage and parenthood are one of the few available options. Going off to college, for example, with its relative independence and freedom from responsibility, is not a possibility for most. Those who continue their education live at home to save money and often hold a job at the same time. In most cases, young men and women strain under the rigid controls of ever-vigilant parents. For a few, the chaos and pain of an unstable family situation make the need to escape even greater. Either way, the path to independence and adulthood lies in establishing one's own family. For the men in particular, the responsibilities of raising a family are welcomed as a way to "settle down" and to renounce the aimlessness of "hanging around" and the temptations of street-corner society.

When an unmarried working-class woman gets pregnant, she and the man responsible almost automatically assume they will marry. As one husband told Lillian Rubin, "If a girl got pregnant, you married her. There wasn't no choice. So I married her." Of the 50 couples Rubin interviewed, somewhat fewer than half were married under these circumstances. But among these 20-odd couples, not one man or woman considered abortion; not one considered not getting married. Rubin concludes that many working-class couples are participants in an unconscious drama of using pregancy as an excuse to get married. And although the couples she talked to were married in the early 1960's, it is not clear that many would act differently if faced with the same decision today. The survey data certainly suggest that only a small percentage would resort to abortion.

Dissenting adults

When the Supreme Court ruled in *Roe v. Wade* that "the right of personal privacy includes the abortion decision," it explicitly reserved comment on the rights of the spouse, or on the rights of the parents of an unmarried minor. Justice Blackmun, writing for

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the majority, did specifically reject the arguments of various *amici* "that the woman's right is absolute and that she is entitled to terminate her pregnancy at whatever time, in whatever way, and for whatever reason she alone chooses." But the failure to address the issue of consent by spouses or parents suggested to many that the Supreme Court was sanctioning the anti-family bias of the reform movement.

When the Court did address these issues, in June 1976, such suspicions were confirmed. In *Planned Parenthood of Central Missouri v. Danforth,* the Court struck down a Missouri statute requiring the prior written consent of the spouse during the first 12 weeks of pregnancy. Justice Blackmun, again writing for the majority, agreed with the lower courts that the state "cannot delegate to a spouse a veto power which the state itself is absolutely and totally prohibited from exercising during the first trimester of pregnancy." Thus the Court rejected the notion that the father has any rights deriving from his position in the family: He is treated exclusively as a citizen whose rights derive solely from the authority of the state. The Court thereby reduced the decision to abort to a conflict between individuals, in which their family relationship is immaterial.

In the *Danforth* case, the Court also struck down a provision requiring an unmarried woman under the age of 18 to obtain the written consent of one parent during the first 12 weeks of pregnancy. Explicitly rejecting a lower court finding that the state had a "compelling basis" to require such consent "in safeguarding the authority of the family relationship," the Court ruled as follows:

> Just as with the requirement of consent from the spouse, so here the State does not have the constitutional authority to give a third party an absolute, and possibly arbitrary, veto over the decision of a physician and his patient to terminate the patient's pregnancy, regardless of the reasons for witholding the consent.

Here and in the accompanying *Bellotti v. Baird* decision, the Court emphasized that what it objected to was an absolute parental veto. It implied that parental consent might be valid if the minor were "a girl of tender years," and that a requirement of parental consultation might be upheld.

Despite these qualifications, the Court clearly views such situations as fundamentally involving a conflict among the rights of individuals, quite apart from their rights and obligations as family members. Yet such an atomistic view of society conflicts with the way most people see the world. (Note again that in 1975 only about

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a third of Americans approved a woman's right to an abortion opposed by her husband.) For most people, the family is the basic social unit. Among working and lower-middle-class people in particular, individual identities are submerged in the family and its dense web of sacrifice and reward that effectively combines self-interest with altruism. The father accepts working at an unrewarding job for the sake of his family; the mother sacrifices her needs to those of her husband and children; the family gives meaning to both of their lives. This is the bargain struck, and although there are inevitable conflicts between individual needs and family demands, the principal tension felt is between *family* and *society*: Increasingly, the former is seen as a bulwark against the disorders and intrusions of the latter.

In contrast, the doctrine of individual rights elaborated by the Court is more akin to the ethos of upper-middle-class professionals, scientists, and intellectuals. The emphasis is less on family stability and integrity than on individual achievement. The principal tension felt is between *individual* and *society*, with the family increasingly seen as just one more societal institution.

The limitations of expertise

Daniel Bell has written that the prototypical conflict of post-industrial society is between the professional and the populace—between the increasing power of the new knowledge class and the rights of the layman and citizen. The controversy over abortion may be viewed in this light as a debate, largely between these groups, over the definition of abortion. Is abortion an abstruse technical-medical procedure that only doctors and medical scientists can understand and make decisions about? Or is it something that everyone can understand but that raises questions of morality, of values?

The Supreme Court has clearly chosen the former definition. One of the more interesting aspects of its various abortion decisions is the explicit deference to professional and scientific expertise. In *Roe v. Wade*, for example, the Court declined to base its ruling on the presence or absence of life in the womb, for reasons given by Justice Blackmun:

> We need not resolve the difficult question of when life begins. When those trained in respective disciplines of medicine, philosophy, and theology are unable to arrive at any consensus, the judiciary, at this point in the development of man's knowledge, is not in a position to speculate as to the answer.

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The Court went on to establish the criterion of fetal viability (the capability to live outside the womb) as the point at which the state may have a compelling interest in the protection of potential human life. Viability, Justice Blackmun explained, has been *medically* determined to occur approximately between 24 and 28 weeks.

What is curious here is the Court's selective use of scientific authority. It first refused to deal with the question of when life begins because scientists have been unable to agree. It then adopted the viability standard, assuming agreement among scientists and doctors when in fact there is none: The debate continues over what exactly "outside the womb" means (whether it refers to a fetus plopped in a surgical basin or carefully placed in an incubator). But even if there were such agreement, the inevitable value conflicts would not (as the Court seems to imply) be resolved. Balancing the well-being of the mother against the right of the viable fetus to be born, some medical scientists would presumably still find abortion acceptable. Others would not. Yet the Court resorted to a naïve view of science as capable of not only transcending but deciding moral and ethical dilemmas.

But even if the Court had not taken this view of science, it still would have had problems. The scientific questions raised about when life begins or when the fetus "becomes human" are indeterminate, while most of the other issues raised involve clear value judgments that science can merely inform. And the intimate and personal nature of the matter leads to strong opinions that would not in any event be easily challenged by scientific findings.

A corollary to the Court's reliance on the authority of science is the authority it grants to the professional expertise of the individual physician in the decision to abort. Justice Blackmun has written:

> The [Court's] decision leaves the State free to place increasing restrictions on abortion as the period of pregnancy lengthens, so long as those restrictions are tailored to the recognized state interests. The decision vindicates the right of the individual physician to administer medical treatment according to his professional judgment up to the points where important state interests provide compelling justifications for intervention. *Up to these points, the abortion decision is inherently, and primarily, a medical decision, and the basic responsibility for it must rest with the physician* [emphasis added].

Yet abortion is seldom just a technical-medical procedure; it is rarely indicated for medical reasons alone. Indeed, the present controversy concerns precisely the expansion of legal abortion to allow for *non*medical justifications. In the *Doe v. Bolton* decision, the

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Court itself concedes this by defining the health of the mother as a matter of "professional judgment" that "may be exercised in the light of all factors—physical, emotional, psychological, familial, and the woman's age—relevant to the well-being of the patient."

The Court relies on professional and medical expertise, yet offers a definition of health that goes beyond the bounds of scientific knowledge. The point is well made by Dr. Bernard Nathanson, a physician and prominent reform activist who has nevertheless expressed doubts about the ultimate wisdom of abortion on demand:

> The phrase "between a woman and her physician" is an empty one since the physician is only the instrument of her decision, and has no special knowledge of the moral dilemma or the ethical agony involved in the decision. Furthermore, there are seldom any purely medical indications for abortion. The decision is the most serious responsibility a woman can experience in her lifetime, and at present it is hers alone.

If we accept for the sake of argument that abortion *is* a moral issue, then the nature of the class conflict over abortion is more apparent. Scientific knowledge and analytic skills are simply not as capable of informing this issue as they are certain others, such as pollution or nuclear power. The members of the knowledge class (and the rest of the upper-middle class to which they belong) are thereby really not any better equipped to deal with the matter of abortion than are the members of any other group. Indeed, when they argue for abortion, what they are doing is no different from what those opposed to abortion are doing. They are defending a set of values grown out of their common life experiences, opportunities, and beliefs—defending, in short, a moral decision about the symbolic meaning that abortion has for their particular culture.

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The impending crisis in American graduate schools

NATHAN KEYFITZ

THE economic base of the American graduate school is the undergraduate college. More than half of the 35,000 men and women who receive Ph.D.'s each year expect to become teachers in the nation's colleges. But although their main economic opportunities lie in teaching, their graduate-school training centers on research, as does their hope for a distinguished career. Graduate school is an apprenticeship, conducted under a mature scholar, for a career of research; those too easily discouraged by the difficulties of creating new knowledge or not strongly enough motivated by its excitements tend to drop out, or never enter. Graduate study is poor in immediate rewards, but rich in the hope of eventual distinction and even material comfort.

For the nation, despite the publicized difficulties of the 1960's, the academic process of creating new knowledge has been enormously successful. The result has been the most powerful research apparatus known in any country at any time in history: English has become the international language for scientific communication, and scientific journals have multiplied; a disproportionate number of Nobel prizes have been awarded to researchers in the United States; and, most important, the modern industrial technology that has been created enables the United States to produce over 30 per-

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cent of the world's gross national product with only 5 percent of the world's population.[1]

All this has been made possible by the growth of the nation's colleges and their capacity to absorb about 20,000 of the new Ph.D.'s turned out each year. During the 1960's, there was an annual growth of about 7 percent in the undergraduate body, about half resulting from the increase in the number of young people of college age, about half from the increasing propensity to attend college. But now that undergraduate expansion is reaching a peak and contraction will soon begin, it is apparent that the nation's academic research apparatus has an insubstantial foundation. The course of the enrollment curve, from a rapid increase to a plateau and then a decline, threatens graduate education and thereby scientific research with more drastic and far-reaching consequences than have been suspected. Avoiding the worst of them will require extensive and even painful institutional changes.

The rise and decline of births

This year, 1978, is just 17 years after 1961, when the American births reached an all-time peak of 4.3 million. Births had been rising more or less steadily from a low of 2.3 million in the Depression year of 1933, with only a brief hesitation during the war years. The 1933 cohort came of college age in 1951, the 1960 cohort in 1978, and between 1951 and 1978 there has been an almost steady rise in the cohorts of potential college entrants. Most of those attending college in 1978 were born between 1957 and 1960 (though many older students are also enrolling). Two years from now, the first cohorts from the down side of the birth curve will enter college, but there will be no immediate impact, because the slope was gradual, and there was some decrease (though small) in infant mortality.

Of course, the model by which college attendance follows births after a 20-year delay is much too simple. Immigration, both legal and illegal, adds to the number of possible candidates for college. American education has the highest standing abroad; in the future,

[1] The possible loss of American preeminence in science has already worried the National Academy of Sciences. Technological advances are necessarily based on science. Japan and West Germany are now ready to take our place as the leading exporters of technology. Our domestic industries also have soft spots: We are falling behind in steel and some other basic products. Constant discovery of new technology is needed to keep our industries efficiently producing for both the domestic and the foreign market.

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foreign students, financed by oil or other sources, might well take some of the places vacated by Americans.

Moreover, the effect of the decreasing population will be offset by the tendency for college ages to spread beyond the traditional range of 18 to 21. Some of those who were impatient to get into the labor force in their late teens have greater wisdom 10 years later, and resume their studies, often in community colleges. Their numbers have increased rapidly over the last 15 years; no one knows whether they will continue to rise. In any case, the proportion of college students 22 years of age and older has risen to over one third of all undergraduates. It has become less and less customary to go continuously through high school and college without dropping out, even if only for a year or two. Every teacher is aware that his students are older on the average than at any time since veterans made up a large part of the student body after World War II. To evaluate and project this tendency is not easy: The effect of the birth curve is spread over a wider time interval than it would be if the traditional high-school-to-college progression were the norm.

From 1960 to 1965, births in the United States fell from 4.3 to 3.8 million, a drop of 13 percent. Babies born in 1965 will be 18 in 1983, and will then be members of the youngest college-age cohort, which will be about 10 percent smaller (given a decrease in mortality rates) than the cohort born in 1960 and of college age this year. This decline could, of course, be counteracted by a substantial increase in the proportion of the population wishing to attend college. But from present indications the prospects for such an increase are not great. College enrollments apparently declined 1.5 percent in the fall of 1976, but then increased by 2.6 percent in the fall of 1977. Most of the small increase in total college enrollments in the past two years is merely the result of more people of college age, since the birth curve was still rising 18 years ago. The prospect for much greater enrollment in the future is diminished by a fact increasingly given public attention: that college does not pay off in lifetime earnings as well as was thought in the 1960's. (The exception is medical school and some other professional schools.) In the 1960's, huge public works in space exploration and defense, the enormous increase in secondary-school pupils and hence in the demand for teachers, and many other one-time phenomena raised the demand for college graduates, and hence their pay relative to those who had not attended college, above likely levels in the 1980's.

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In any case, pay differentials in later life have to be substantial to justify college attendance financially. College is expensive, particularly if one reckons forgone earnings, as young people must. No matter what concessions institutions make regarding tuition, they cannot offset the major expense of attending college: what could have been earned by working instead of attending in the first place. Any individual qualified to enter college could, by working instead, earn something like $6,000 in a period comparable to a college year—more than the cost of tuition, books, travel, and so on. (Basic living expenses are not included, since everyone, in college or not, must provide for them.) And in the minds of many young people, such immediate earnings outweigh any future earnings resulting from a college education. The young discount the future in proportion to their eagerness to become independent earners and spenders.

On the whole, colleges should prepare for a drop of 10 percent in first-time entrants by 1983, and about the same in total enrollments by the mid-1980's. Yet even if this worst case does not occur, it is hard to see any increase during the 1980's; fixed enrollments are about the best to be hoped for if immigrants, older students, and foreigners all add to the student population.

From 1965 to about 1971, there was some leveling off of births, which means that there will be no further intensification in the late 1980's of the problem of declining enrollments. In fact, two circumstances will actually help alleviate the difficulty. First, there was a substantial decrease in infant mortality in the late 1960's. Second, because of the current age distribution of academic personnel, retirements will increase in the 1980's, as many of those given tenure in the 1950's complete their careers.

Future college enrollments

But there will be only a brief hesitation in the downward trend. During the early 1970's, births plunged to a new low level of about 3.1 million annually, where they have remained since, despite the entry of very large numbers of women into childbearing ages. (The young women of the 1970's were born in the "baby boom" of the 1950's.) If our population did not have such a disproportionate number of young couples, births would be exceeded by deaths in the United States, given the low birth rates; so that, except for the effect of immigration, the population would actually decline. But as far as future college attendance is concerned, what matters is

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not the birth rates or the capacity of the population to reproduce itself, but simply the absolute number of births, or more precisely, the absolute number of survivors (after allowing for child mortality) plus immigrants.

Even with the large number of young couples, births during the 1970's are about 20 percent fewer than in the mid-1960's; the cohorts of conventional college age will therefore be about 20 percent fewer in the early 1990's than in the mid-1980's. Unless attendance rates rise, or older people return to college in increasing numbers, the size of the student body will take a second and steeper plunge, perhaps double the fall of the early 1980's. The effect on the employment of Ph.D's would be softened by a higher rate of retirement, which might go up to 2.5 or 3.0 percent per year, because there are now far more faculty members around 50 years of age than around 60. But the retirement rate still might only equal the rate of decline of entering students, thus not permitting any appreciable amount of hiring.

In the longer term, the period after the 1990's, the clientele of the colleges will be children not yet born. What are the chances of a rise in birth rates, say to the levels of the 1950's? No one knows, but much would have to change, given certain durable social conditions associated with the present low rates: efficient contraception; the wish of women to work and have careers outside the home; high divorce rates; couples living together unmarried, on the grounds that marriage is unnecessary since they do not intend to have children; all of the real and symbolic aspects of the equality of the sexes. Future economic change will not have much effect: If recession continues, couples will delay childbearing or decide against it altogether; if prosperity increases, the opportunities for women to work will make children too expensive, in terms of forgone earnings.

Now could be the high point of college enrollment in this century and beyond. Over the next generation, enrollments will decline in the early 1980's, followed by a leveling off and then by a further drop in the early 1990's. (The picture is uncertain beyond the year 2000: In a future, prosperous society preferring personal intellectual growth over material goods, there could be an increasing proportion of the population attending college, and possibly increasing birth rates.) A fall of 10 percent in enrollment in the early 1980's and 20 percent in the early 1990's is probably the worst case; the best would be a constant level of enrollments. Anything in between is possible.

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The collapsing chain letter

The consequences of declining enrollments would be small if merely a proportional shrinkage of the entire educational establishment were involved. The university research and teaching organization of the United States could imaginably be 10 percent or even 30 percent smaller than now and still be vigorous and creative, capable of keeping the United States in the forefront of world science and technology. But proportional shrinkage is not what we are facing. The academic establishment is not homogeneous: Because some parts exist to serve other parts, a sudden shrinkage or even halt in growth grotesquely distorts the shape of the whole.

During the 1960's, college enrollments expanded because births increased in the 1940's and new social groups came to regard college as essential for their future. A 50-percent increase in less than a decade in the size of the colleges was accompanied by a more than 100-percent increase in the size of graduate schools. Larger cohorts and larger proportions of those cohorts attending college resulted in enough expansion so that graduate schools could place all of their Ph.D.'s, creative or not, capable or not; their job opportunities depended mostly on the growth of colleges and only secondarily on faculty dying, retiring, or leaving for jobs in industry.

The 1960's were the golden age of American higher education. From each cohort of three or four million, several thousand of the best were selected each year to study and work in graduate schools and then to pass into careers in teaching and research. From apprenticeships in graduate school, they went on to other institutions, often newly established in state systems; there they continued the tradition they had assimilated of producing new knowledge.

But since this development of the research apparatus that carried science forward so rapidly was based on the 7-percent-per-annum expansion of undergraduate education and teaching opportunities in the 1960's, it resembled a chain letter that promises to make everyone rich if a steady stream of new participants can be found. Just as the chain ultimately breaks, by running out of new entrants, so our graduate schools now face a shortage of undergraduates at the base of the system. Yet too much is at stake for the nation to allow its academic research system to collapse like a chain letter.

Teaching and research

The system now facing such a grave threat was almost absentmindedly created since the 1930's. An essential feature has been

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the hiring of ambitious young men and women fresh from graduate school, typically as assistant professors and nominally to teach undergraduate classes. But their teaching load was usually two or three courses, often only five hours a week, and after the first tense years, preparation and other work involved in teaching made for essentially a half-time job. The other half of their time was to be devoted to research, which was the half that was taken seriously. The selection committees examining the credentials of applicants for teaching jobs, the department members attending their colloquia and reading their papers, and eventually the promotion committees all reached a decision based primarily on the apparent aptitude for research. (To be sure, some lip service was paid to teaching ability, under pressure from undergraduate students who suffered lectures by faculty with neither talent nor motivation for teaching.)

For the serious scholar expresses his loyalty to his discipline by attempting to expand its content; he judges himself and his colleagues by the capacity demonstrated for adding to the corpus of knowledge. Each profession has its own internal standards: A doctor who appeals to his patients rather than to his colleagues is defined as a quack. Likewise, professors of biology, psychology, or mathematics want to be judged by the community of biologists, psychologists, and mathematicians, respectively. Each academic community hardly knows what a teacher says in his classes and cares even less; it does closely follow published research, to which strict disciplinary standards can be applied.

Yet new assistant professors could be hired only because teaching slots were available. Particularly in state universities building new campuses and expanding old ones, slots were provided in the budgeting process by legislators pressed to provide for the education of the sons and daughters of their constituents. The importance of teaching was clear to parents and legislators, while research, especially scientific material in specialized journals, was more difficult to understand; the uses for new knowledge are always less apparent than the dissemination of what is already known. Private universities, which in many respects set the norms that public schools follow, are less influenced by legislators. But they do need parents for tuition and donors for endowments, who have an interest in seeing youth educated and only a lesser concern for extending the frontiers of knowledge (although there are some very distinguished exceptions).

That the objectives of parents, undergraduate students, legisla-

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tors, and donors were different from those of faculties is hardly surprising. Faculties used the expansion of undergraduate education to carry on almost surreptitiously the research that put America where it now is in the world of science. But the situation is different today. Insofar as the increase in the number of undergraduates can no longer be used to justify the hiring of new faculty as teachers, graduate school research is significantly hindered: An aging community of older faculty is denied the challenge of fresh ideas from younger colleagues with more up-to-date training. More important, the lack of posts for assistant professors precludes the employment of as many as half of those now attending graduate school and so removes the incentive to attend. Cutting the graduate student body weakens the teams of researchers, which at their best combine the talents of mature faculty, newly hired young faculty, and research assistants, who produce while they learn.

The most important effect of the numerical decline on the organization of graduate schools is the failure to replace mature scholars in the next generation. Birth and death, after all, affect the academic community as well as society as a whole. Could the country with equanimity contemplate drastically reducing graduate schools, perhaps dissolving many departments for a decade or two, until demand picks up again? To judge the cost of that, one must recognize the importance of continuity in institutions. Scholarship in Germany has still not recovered its prewar prominence, despite the unprecedented prosperity that enabled a total physical reconstruction within a decade after the end of the war. Once lost, the quality of scholarship can take many decades to reattain.

In its expanding phase, the academic system was moderately successful in attracting and selecting those with the greatest aptitude. Without indulging in excessive nostalgia over the merits of earlier generations, one must still fear a gross decline in quality during the 1980's. Good people will no longer struggle up the hill to the Ph.D. when no shining job opportunities beckon on the other side. This is particularly unfortunate because we have finally admitted (as we should have a long time ago) that talent is just as likely to be found among women and blacks as among white males. But now, whatever their race or sex, the brightest are going to be attracted to easier careers at better pay in government and industry instead of the academy.

Triggered by the decline of births nearly 20 years back, the fall in teaching opportunities will accelerate, and so will the difficulty

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of placing Ph.D.'s. The operation of the market will bring a decline in real salaries in the academy (which in fact has already begun to show itself). The combination of placement difficulties and declining salaries will affect not so much the number of graduate-school entrants as their quality (consider the falling scores on the Graduate Record Examinations); poorer quality Ph.D.'s emerging four years later will exacerbate the placement problem, which would be made worse in any case by the further decline in undergraduate enrollments. The falling prestige of the academy and of the research enterprise, resulting from the lower-quality people involved, will further lower the quality of research. And this chain reaction could go even further: Because the most capable people are not being attracted to Ph.D. programs as students or teachers, the authorities in Washington and elsewhere will become more and more unwilling to support them or to subsidize research.[2]

The tenure problem

The fact that there are fewer children to be taught should mean that since less money is expended on teaching, more should be available for research. But instead of expanding, research has contracted along with teaching, because the two are coupled under current institutional arrangements. In order to reverse the decline of research, it must to some degree be uncoupled from teaching.

This prospect will disturb those who have rightly argued that teaching broadens the researcher and research provides fresh content for teaching. For many individuals this is true, and some way should be found for them to do a little of both. But some scholars are better at undistracted research, while others are better working solely as teachers. Some are better fitted to be teacher-administrators than teacher-researchers. A suitably flexible arrangement can surely be found to meet diverse requirements.

One way of uncoupling teaching from research is by partly relieving the graduate schools of the task of generating new knowledge,

[2] The problem is somewhat different in the humanities, where teaching is necessarily a larger part of the academic enterprise, while research is a smaller part. One notes with some hesitation that research in history, English, foreign and contemporary literature, classics, philosophy, and the arts could decline without any disastrous effect on our balance of payments. Yet it is an unhappy situation if we are too rich and too egalitarian to need the humanities. In any case, my argument applies most clearly to the sciences, and to them mostly as they generate technology. A different line of argument is needed for the humanities; I have not succeeded in making it here.

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and replacing them with industrial laboratories or government institutes. Both are essential to research in Western Europe and the Soviet Union; in the United States, the achievements of the Bell Laboratories and laboratories associated with RCA Victor, Du Pont, and other industries are well known, as are the contributions of the National Bureau of Standards, the National Institutes of Health, and other government agencies. Yet all these research centers are ancillaries to business or government, and their pecuniary or bureaucratic relations make them incapable of replacing the universities as the home of science. Moreover, even the most distinguished industrial laboratories have recently found themselves more and more in development work rather than in fundamental research, because firms now feel a need to economize. If government and industrial laboratories do as well in the future as in the past, we will be fortunate. There is no hope of their offsetting the threatened drop in quality or quantity of the output of the universities.

What must be avoided is an inappropriate trade-union approach on the part of academic personnel. Everyone is aware how necessary tenure was at a time when Thorstein Veblen could be dismissed on the strength of rumors that his teaching was subversive and his personal life was unconventional. But to support tenure now without reexamination is to forget that time has passed, that old dangers have retreated and new ones have appeared. Excessive insistence on the privileges of tenure in the United States today could serve the opposite of its professed purpose: It could protect the (conservative or apolitical) occupants of tenured slots against the entry of non-tenured faculty who might be subversive. Instead of preserving academic freedom, tenure could act to suppress those who would provide ferment in the academy (by keeping them out of a job)—not only radical social or economic ideas, but new scientific and technical ideas would effectively be barred.

The problem is how to devise tenure rules that will not prevent the entry of new people and new ideas, how to provide the security needed for innovation without converting the academy into an embattled fortress of office-holders. Note that the critical time has not yet arrived. The peak of the "baby boom" does not reach college-entrance age until 1979, and it will be some years after that before the dismal consequences of the declining birth rate appear. But by the mid-1980's, an aging faculty protected by tenure could be fighting off a generation of younger, talented Ph.D.'s for whom the universities have no place. How can this be avoided?

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A new arrangement

One possibility involves hiring and tenuring faculty in half-time teaching appointments, paid at half-salary and based on pedagogical skills. This arrangement would simply formalize a condition long recognized: Teaching two or three courses is simply not a full-time job. The other part of the proposal is to hire and tenure faculty in half-time research appointments, again paid half-salary but based on past and prospective research accomplishments.

This arrangement would require additional funding; given the current financial situation of the universities and the even worse condition they will be in when the size of the student body stabilizes or declines in the 1980's, they cannot contemplate supporting large-scale research separated from teaching. Government grants and research contracts would have to be expanded. Funding would also be required to support early retirement, in many cases half-retirement, for faculty lacking the capacity or inclination for further research. And more post-doctoral fellowships would also be needed to permit able young people, not otherwise placed, to engage in productive research. Such fellowships would help bridge the gap until faculty taken on in the 1960's retire.

For newly engaged faculty there would be little difficulty in implementing a system of half-time tenure. Typically, the new appointee's half-time, tenured position would be in teaching. Many good teachers would not seek or be hired for the half-time research posts. They might take another half-time teaching position, either at the same school or at a nearby institution. Others will find a half-time consulting practice or government job. The example of medical schools, which attract the very best physicians to their part-time teaching posts, could well be followed more generally.

A new appointee would also frequently have a non-tenured, half-time research appointment. A competent and confident young scientist could easily find additional support with the increased funding envisaged under this scheme. He would not be a less committed academic than the full-time appointee of today—just less of a fixed burden on a financially uncertain institution, which would be protected if or when he ceased to be a creative researcher. (In the past, the aging academic could spend his last years in administration, but university administration has now become technically demanding; universities can no longer afford to regard administrative posts as places of semi-retirement.)

But solving the problem for new appointments will not help this generation, given the reduced number of new appointments between

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now and the end of the century. The question will be how to release posts and funds now blocked in over-tenured universities (which are the majority). This will not be easy; humane proceedings are required. Early retirement and shifts to full-time work in government or industry, as pay and privileges elsewhere rise relative to those in colleges and universities, may help somewhat to loosen up the system.

But the problem is not going to be solved in any easy and automatic way; judgments must inevitably be made. Unlike the process of hiring, deciding who should be let go involves a judgment concerning someone who is already a member of one's community. Yet no matter how difficult such decisions are, automatic procedures could very well be harmful. Suppose a university were to offer five years' full salary as termination pay for all who wished to leave or retire at age 50. Who would take advantage of it? Not those who had stopped creating and were merely coasting along, but those who were still productive and certain to find new posts or entirely new careers.

Providing for the future

The reader can easily criticize this scheme of combining half-time appointments with a gradual phasing out of older, less productive scholars. It does involve more expenditures, especially of government funds for research. Moreover, the proper administration of the additional funds to produce important research results cannot be taken for granted; peer review does not always preclude support for blind-alley projects. There is no automatic way of ensuring that new knowledge will be fruitful, that it will lead to further pure science and also spin off new technology somewhere along the line. Overcoming shortages of materials and energy, alleviating the damage to the environment, finding solutions for the capital shortage and labor excess of the Third World, even just continuing the momentum of scientific and technical developments that has made the United States preeminent in computers, communications, and synthetics—all these require the best judgment of the best people on what work to support.

But coasting along on present arrangements will undo the unique research apparatus developed in the 1960's and 1970's for the creation of new knowledge: We will be burdened in the future with a static, tenured faculty and a deteriorating (because ineffectively used) body of young scholars who earned their Ph.D.'s in the 1970's

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and 1980's. We must retain some form of tenure if collegial relations within departments are to be preserved. Yet with existing structures, new hiring will virtually cease. Those who are barred from the universities will take their talents elsewhere, into business and government. The problem is not their personal fates, but rather the fate of us all if they are not in position to contribute to the research process, and American technology loses its impetus. The uncoupling of research from teaching within the universities is one way of ensuring that creative talent is not wasted.[3]

[3] I am grateful for the comments and suggestions of Daniel Bell, Morton W. Bloomfield, Ansley J. Coale, Russell Davis, Robert Dorfman, Ronald Freedman, Richard Freeman, Peggy Heim, Matina Horner, William Kruskal, Charlotte Kuh, George Masnick, Roy Radner, Paul Schultz, and Charles Westhoff. The Ford Foundation provided financial assistance.

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Censorship for the Common Good

WILLIAM J. BENNETT

In 1975, the average American household watched six hours and 49 minutes of television each day. Almost as much time is spent by critics who flog television programming and document its deleterious effects on the next generation of Americans. Television may be "junk food for the mind," as Steve Allen recently put it in *U.S. News and World Report,* but there is no shortage of recipes for its improvement. At present, there are many proposals for upgrading the general quality of television consistent with its principal purpose: entertainment. Some of these proposals are intelligent. *Window Dressing on the Set: Women and Minorities in Television, A Report of the United States Commission on Civil Rights,* however, is not.

The USCCR wants the Federal Communications Commission, which has the power to grant or withhold licenses, to enforce the pledge of the television stations to operate in "the public interest," and to "undertake an inquiry and . . . rule making regarding the portrayal of minorities and women on network television." The FCC has already responded that for it to "oversee the day-to-day content of entertainment programs, judge role models . . . preview scripts," and the like could lead to the censorship of free speech. It has suggested to the USCCR that "however serious the problem may have been (or is), the suggested cure would be worse."

This struggle is likely to go on for some time, and it is worth taking note of the ground for the USCCR's strong convictions on the matter. The report is 181 pages long; I shall restrict myself to a small but representative sample of the "data" and the "evidence" presented.

One example, a "review" of television's treatment of American Indians, led the authors to agree with a resolution of the Association of American Indian Affairs that broadcasters must "improve the portrayal of Native Americans." The USCCR approaches this problem by analyzing the evidence: the content of Westerns on television, beginning with the early days of the medium. One of the shows, "Wagon Train," was noxious, according to the report, because it showed Indians "as drunken cowardly outlaws. Indians are

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usually attacking wagon trains." Another show, "Laramie," was no better: Indians are portrayed "holding white girls captive, in addition to other brutal actions." In a third show, "Overland Trail," Indians are presented as "unbelievably stupid savages believing in the most ridiculous witchcraft." According to the USCCR, the portrayal of Indians has not significantly improved since then; it therefore backs the recent recommendation of the Association of American Indian Affairs calling for an "accurate depiction of Native Americans" on television. This recommendation reads as follows:

> Accurate portrayal . . . requires that the American Indian be presented as a brave defender of his homeland and of a way of life as good and free and reverent as the life dreamed of by the immigrants who swarmed to these Eastern shores.

It is one thing to say that in many shows there was a tendency to present all Indians as bellicose and superstitious. It is another thing to urge that no Indians should be so depicted, and that all should be presented as peaceful and sober. For example, in the view of the USCCR, if "accurate" programming would *not* show Indians attacking wagon trains in brave efforts to defend their homeland, what would it show? Would it show Indians *defending* wagon trains from attackers? Who would then be the attackers? White outlaws, perhaps? Nazis? Police? The Ku Klux Klan? The point of the recommendation, of course, is not to portray accurately, not to bury the hatchet—but to have it cut only one way. In the USCCR's view, it is evidence of discrimination if Indians on television are interested in firewater, supernaturalism, or brutality, when whites are not—and even, there is little doubt, when whites are as well. "Accurate" programming, according to the authors of this report, simply consists of replacing a one-sided view of Indians with its opposite, substituting all good Indians for all bad Indians.

THERE are similar objections to the offensive misportrayal of other minority groups on television, and we learn that the bad seeds of these misrepresentations were also planted years ago. According to the USCCR, there were many things wrong with the early portrayal of Asian Americans: First, the characters were often played by whites in "yellow face" (that this is bad is presumably obvious). Second, they tended to be either "Fu Manchu-type villains operating with cunning slyness and inscrutability or [like] Charlie Chan, who was a super-good, super-wise, self-effacing detective." (Is his virtue offensive because he is "really" a white man?) Third, Charlie's "'Confucius say' aphorisms" are singled out for special contumely, because they reveal the "intelligent but non-aggressive stereotype of the Chinese people." Consider the "self-evident" damage resulting from hearing Charlie say, "Confucius say man should never hurry except to catch flea," or "Confucius say a good wife is the best household furniture."

The USCCR points out that many of these offensive movies

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are shown even today. The reader is encouraged to take heart and to *act*, because "when ethnic groups protest vociferously enough, some local television stations cut particularly offensive scenes or simply shelve certain films." In the report, a Mexican-American group is lauded for its success in convincing local stations to stop broadcasting *The Treasure of the Sierra Madre*, allegedly a very degrading movie. I have not seen it, but friends tell me it is a good film. It is possible that I have been kept from viewing it by the enlightenment of my local television station or the activities of local pressure groups. In fact, I may never get to see it, and thus may never be able to form my own opinion of it. Is my loss of that opportunity supposed to be balanced by the benefits I gain by not being exposed to and corrupted by the movie?

Typical of the report's perspective is the case of the "Frito Bandito," which they regard as important enough to be given separate billing in the table of contents. Here is how the USCCR presents the problem:

> The Frito-Lay campaign was launched in 1967. It was built around the "Frito-Bandito," who was a reincarnation of the Hollywood film stereotype of Mexicans: He had a Spanish accent, a long handlebar mustache, a huge sombrero, a white suit tightly covering a pot belly, and he used a pair of six-shooters to steal corn chips from unsuspecting victims. The Bandito sold a lot of corn chips, but he also resurrected the image of the Mexican bandit, one of many negative Mexican stereotypes offensive to the Chicano community. The Mexican-American Anti-Defamation Committee called the campaign "probably the most subtle and insidious of such racist commercials." Numerous protests called for banning the Bandito from the air.

The report goes on to say that the anti-Bandito campaign was finally successful in late 1971, and Frito-Lay will not let him ride again. But at the end of this discussion appears an observation made only as a point of information. Professional research organizations have discovered that in five major cities with heavy Mexican-American populations, the "Frito Bandito" was liked by more than 90 percent of the Chicano respondents, but "the company does not plan to use the Bandito character in future ads." Here, as elsewhere, the government authors must face the resistance democracy presents to their plans.

THE report swings its biggest punches at the portrayal of blacks and women. After a blistering account of "Amos 'n' Andy," the report notes that blacks did begin to appear with more frequency on television in the 1970's. But this did not improve the situation of blacks. One show, "Julia," focused on a black woman, played by the very attractive actress Diahann Carroll. The idea for "Julia" belonged to an NBC producer who argued that the show might accomplish something of social value: "It would be the first situation comedy since the opprobrious 'Amos 'n' Andy' to be built around a

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black person." "Julia" was a "rating success," like the "Frito Bandito," the report notes, but "its social value as a response to the racial strife of the late 1960's was questionable." The title character was presented as a very well-adjusted and attractive individual with commonplace problems. Her situation simply did not have the political implications the reformers sought, despite the possible benefits of the character as a sound role model for black children.

Equally flawed in the view of the USCCR are other "black shows." Citing authorities, the commission reports that "Sanford and Son" is offensive because it reflects "white versions of black humor," "Good Times" because its heroine does not work and so "she resembles more closely the middle-class white housewife," and "That's My Mama" because one episode showed the son drunk and portrayed a young black woman as a pickup in a bar. The report thus endorses the indictment of all these shows offered by the National Black Feminist Organization—that "Third World peoples are consistently cast in extremes." Again, these three shows are consistently among the most highly rated in surveys of non-white households. So once again, the "demeaned" do not agree with their spokesmen about what is good and bad for them.

This discussion reveals how the authors want it both ways, or no way at all; they will not be satisfied with what television programmers put on, unless the programmers accept the dictates of the USCCR. Thus, "Sanford and Son" and "Good Times" are unsatisfactory because, like "Julia," they represent blacks as too respectable. But if programmers try to represent blacks as less than respectable—as being drunk or sexually available—they are charged with racial stereotyping and condescension. It's a no-win game.

In the view of USCCR, the only unqualifiedly good force for the portrayal of ethnics on television is Norman Lear, the creator of "All in the Family." Oddly, this show, which is thought by many to stand for the proposition that prejudice and racism are funny, does not offend the commission. Lear has evidently explained to the commission's satisfaction that "portraying Archie as a loveable bigot allows viewers to see the prejudice which lurks within us all." (Presumably, it is the weekly cathartic unmasking of prejudice that accounts for the show's towering ratings.) According to the report, Lear has been seminal in "establishing a trend of realism in situation comedy."

As for the portrayal of women on television, the authors can barely contain their outrage: "Television drama continues to portray women in traditional, stereotyped, and often demeaning roles." This situation is interpreted as a holdover from the 1950's, when women were presented in the undignified positions of "homemakers or sex objects." Television commercials are also guilty in this regard; like drama, they perpetuate "sexual stereotypes." The writers of the report approvingly cite the judgment of the National Organization for Women that women are generally "portrayed as dependent, unintelligent, submissive creatures who are adjuncts of men." The report cites the following specific evidence: "Mary Tyler

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Moore calls her boss 'Mr. Grant,' even though everyone else calls him 'Lou' . . . Edith scoots into the kitchen to fetch Archie a beer . . . and Louise Jefferson's desire to seek employment has been both criticized and impeded by her husband, George." As the authors say, "the pattern of male dominance lingers." They thus rest their case.

It is not sufficient to say what is obvious about this report—that it is ludicrous and silly, that it is a grand megaphone for particular ideological interests, that it would be funny but for its total humorlessness, that it is incorrect about what is actually on television in the 1970's, that it does not speak for those whom it claims to represent, and that it is crudely presented. The report is foolish, but that is not its worst feature.

In the conclusion of Chapter 4, entitled "The Federal Communications Commission: Regulation of Programming in the Public Interest,'" the USCCR states that the FCC should consider "a variety of regulatory alternatives" aimed at overcoming the "present stereotyped portrayals of minorities and women." This prescription should remind the reader of the important issue at stake and the grave situation it poses.

Incredible as it may seem, what we have here is nothing less than an official agency pressing for government censorship of television programming in the United States. And no one seems to be complaining about it. Neither television nor democracy will be improved by having the government tell the people what to watch. It is to be hoped that the FCC will stand its ground and that others will come forward to stand with it.

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Bleak Housing in Chicago

J. S. FUERST & ROY PETTY

SOME years ago, two of the plaintiffs in the now-famous *Gautreaux* suit against the Chicago Housing Authority (CHA) received a gold plaque for their part in the case from a respected local organization called Businessmen for the Public Interest. On it was inscribed their names and a testimonial to their "faith in the American system of justice and equality."

It was a cruel joke. The plaintiffs' family still lives in a grim, desolate stretch of Chicago's South Side. Two adults, six children, and three grandchildren occupy an eight-room apartment in a shabby building in the heart of the slum. Like other families in the area, they would like to move to a pleasant home in a decent neighborhood away from the inner city. But they would be willing to live in the same area if it could be rebuilt into the safe and well-kept row-house neighborhood it was years ago.

But the dream of these people has been shattered by the very case in which they were named as plaintiffs and joined in one vast class by so many unnamed plaintiffs (half the families under CHA, according to Alexander Polikoff, their attorney in the class-action suit). The original lawsuit, brought in 1966, was intended to end segregation in the site selection and tenant selection of public-housing projects. Originally known as *Gautreaux v. Chicago Housing Authority*, the complex case was fought through the Federal courts for 10 years, until it finally came before the United States Supreme Court under the new title of *Hills v. Gautreaux*. The joke was that the plaintiffs won—at least according to their lawyers. The *Gautreaux* decision was heralded in many quarters as a great victory for the poor, a virtual Magna Carta for low-income urban black families seeking better housing.

But a beautiful gold plaque was all the plaintiffs really won. In fact, the Gautreaux family gave up on public housing altogether a few years ago, while the case was still in the courts, and decided to take their chances in the private-housing market. The scenario could have been written by Charles Dickens. A century ago, *Bleak House* described the personal havoc wrought by endless litigation in the fictional chancery suit of *Jarndyce v. Jarndyce*. In the end, those

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who benefited were the lawyers, who earned enviable reputations; their clients, both winner and loser, were made miserable.

So it has been with the *Gautreaux* case. As a direct result of the ruling, the opportunities for good public housing are smaller than they were 10 years ago; prospects for new public housing in Chicago are now virtually nonexistent. Since the case started, not one substantial multi-family public-housing development has been built in Chicago (apart from a few that had already been started by 1966). And no new public housing or even privately-owned subsidized housing for the poor is likely to be built for many years to come, unless the short-sighted court rulings and the administrative measures that followed them are reversed.

THIS wretched situation came about largely because United States District Court Judge Richard Austin, after justifiably finding that CHA was guilty of discriminatory practices, left it up to the plaintiffs' attorneys, led by Polikoff (an American Civil Liberties Union lawyer and currently executive director of Businessmen for the Public Interest), to draw up Procrustean remedies for Chicago's complex housing problems. But Polikoff, who had a fine record of energetically supporting minority causes, was beguiled by the wider aspects of the case. He designed a program to tie the hands of CHA, without considering what the side effects would be on his own clients. The remedy was unenforceable, and later efforts to improve it only made matters worse.

Here is what the Federal court ordered, under the tutelage of the plaintiffs' lawyers. On a map of Chicago, Judge Austin drew lines around areas where black families were more than 30 percent of the local population. He then forbade CHA to build any new public housing in those "limited areas" until at least 700 units of new public housing had been built in the mostly white "general areas," no closer than a mile from the boundaries of any "limited area." Further, no project could be built to hold more than 120 persons (barely 30 families), no high rises could be built where children would live above the third story, and the sites were to be scattered through the city.

Under these restrictions, CHA simply did nothing for a decade, contending that suitable sites were not available in the mostly white "general areas" of the city—although during the same time period, CHA built at least 10 housing projects for the elderly, containing several thousand units, in those same areas. (Significantly, only a small percentage of those who moved into the new projects for the elderly in "general areas" were black.)

Rather than attempt to force CHA and the city to deal with their own segregation and housing-shortage problems, Polikoff and the other attorneys shifted their attack to the suburbs and to the Department of Housing and Urban Development (HUD). In doing so, they changed the whole focus of the case, from building public housing in big cities to opening the suburbs to blacks. The new goal was

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to use public-housing families, the "class" in the *Gautreaux* case, as the battering ram to force the white metropolitan area—rather than just the central city—to deal with housing segregation. The contention was that white suburbs should be involved in public-housing-construction programs, even though this argument had not been the basis on which the plaintiffs won their original suit. On this matter, Judge Austin refused to go along with the plaintiffs' lawyers, but he was reversed on appeal. In theory, the contention of the plaintiffs was quite right—metropolitan involvement is a goal that ultimately must be accomplished. It is highly questionable, however, whether it can be achieved at this time by a much-publicized program of pushing low-income black families into middle- and high-income suburbs.

As Irving Welfeld has argued in "The Courts and Desegregated Housing: The Meaning (if any) of the *Gautreaux* Case" (*The Public Interest*, Fall 1976), the *Gautreaux* decision "tries to hit two targets with one arrow." One is breaking down city-suburban barriers *and achieving a high degree of racial and socioeconomic integration* in suburban residential areas; the other is providing additional shelter for low-income families. The dilemma posed by trying to achieve both of these ends simultaneously is an old one. It was predicted, according to Welfeld, in the Congressional debates on the 1949 Housing Act. Northern liberals such as Paul Douglas and Hubert Humphrey came out against the Bricker-Cain amendment, which insisted on integrated housing, because they saw it as a divisive force capable of killing public housing, legislatively and administratively. Charles Abrams, a long-time leader in the fight for public housing, said in 1949 in the *New York Post*, "If the device [the Bricker-Cain amendment] succeeds, it will become the forerunner of a whole series of efforts to use the civil-rights issue as an instrument for killing off civil reform. . . . The maneuver is not made to advance equality, but to destroy public housing." The *Chicago Defender*, a leading black newspaper, agreed.

A great deal has happened since 1949. Segregation in publicly supported housing is now illegal, discrimination in housing is illegal, and there is in fact much more integration. But the old dilemma is still with us. In June 1970, Polikoff defended the *Gautreaux* remedy by telling June Silverman of the *Journal of Housing:* "If public housing must die because of business-as-usual practices, let it die." Polikoff had a magazine debate with us (*Focus Midwest*, Vol. 7, No. 48) in which we quoted John D. Lange, a former high official in HUD and later executive director of the National Association of Housing Officials, who said that the *Gautreaux* decision and its accompanying restrictions "would virtually halt the public-housing program in Chicago." Polikoff countered that we were prophets of "gloom and doom" and that the court order directed CHA "to use its best efforts to increase the supply of dwelling units." Polikoff also referred to a companion case against HUD, the principal purpose of which was to assure a substantial increase in low-income public

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housing in the total metropolitan area: "Hopefully, the court order together with the companion case will prod the government agencies in the direction of new housing," clearly one of the aims of the case.

In the debate, we suggested that if a corresponding volume of effort and time devoted to the case had been spent by the American Civil Liberties Union, Businessmen for the Public Interest, and League of Women Voters on pressuring CHA to change its administrative policies, there would have been at least a chance that some public housing could have been built. Little or no such effort was made, however, because Polikoff preferred legal remedies.

NEEDLESS to say, CHA was elated at the new direction of the case, because—despite Judge Austin's still-standing order—it was thus off the hook. Charles Swibel, CHA chairman for the past 20 years, now contends that the authority would have appealed the crippling aspects of the original Austin decision, but the liberal elements in the community—the League of Women Voters, the Independent Voters of Illinois, the liberal aldermen, the news media, and the black community leaders—were all so fervid in their support of the District Court decision that the city administration believed it was politically inadvisable to do so. Swibel fails to note, however, that Mayor Richard Daley and his supporters silently rejoiced at both the original decision and the subsequent shift of the focus of the case to the suburbs. Although the District Court had continuously insisted upon a citywide remedy for public housing, because of the new turn of events, CHA could shrug off responsibility to HUD and the suburbs, the new defendants. CHA could thus avoid antagonizing white voters in city areas and continue resisting Judge Austin's original orders and his repeated demands for compliance, which in any case were a straitjacket preventing further expansion of public housing.

For its part, HUD—by 1970 firmly under the thumb of the Nixon Administration and uninterested in any significant expansion of the public-housing program—likewise made no effort to get CHA to appeal Austin's original decision. When the Appeals Court decided to force it to build public housing in the suburbs, HUD appealed the decision without making any attempt to question the validity of Judge Austin's original crippling restrictions.

After a decade in court, the case that finally came to the Supreme Court in the spring of 1976 dealt with what had essentially been a subsidiary, if not totally irrelevant, issue in the original case. *The prime issue in the original suit, the sweeping nature of Judge Austin's decision (which the Yale Law Journal in 1970 called "incredible"), never came before the Supreme Court because neither plaintiff, HUD or CHA, ever appealed that aspect of the case.* It was as if both were quite content to live under a court order that made public housing for blacks all but impossible to provide.

The Supreme Court ruled that the District Court had the power,

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though not the duty, to force CHA to undertake projects in suburban areas, but only within certain limits and only if the projects did not violate the suburbs' zoning ordinances. In other words, according to the Supreme Court, CHA could build housing projects in a suburb only with that suburb's permission—an unlikely event in light of the suburban communities' fears that the poorest families from Chicago's huge Cabrini-Green and Robert Taylor projects would be moved *en masse* into their quiet little towns. The Supreme Court also found that the District Court likewise had the power, though not the duty, to order HUD to use Section-8 subsidies in these areas to make housing available for the plaintiffs' families.

The same Supreme Court that was unwilling to order metropolitanization of the Detroit schools for purposes of desegregation, because the suburbs had not engaged in discriminatory activity *(Bradley v. Milliken)*, recognized in *Gautreaux* the need for a metropolitan solution. The Court used this decision to speak out for metropolitanization in the one area where it apparently could do no harm—because it could not really be implemented.

As a result of the Supreme Court's decision in *Hills v. Gautreaux*, there has been virtually no new construction or use of Section-8 subsidies for existing housing in Chicago. What the ruling did produce was a feeble agreement between HUD and the plaintiffs' lawyers to establish a demonstration project that was to place 500 families, either CHA tenants or applicants for public housing, who were known as "Gautreaux-type families," in the Chicago suburbs. In 18 months, the Leadership Council for Metropolitan Open Communities, the organization charged with responsibility for carrying out this project, has managed to place 260 families at a cost of about $300,000 (or over $1,000 per family). These 260 families have been induced to move into distant suburbs, far from their old neighborhoods and completely unfamiliar to them.

An article by Barbara Garland (in private life, Mrs. Alexander Polikoff) in *Chicago* (June 1977) reported on this demonstration project and the great resistance of the "Gautreaux-type families" to the persuasive techniques of the Leadership Council relocation workers. The following questions asked by prospective applicants are very revealing: "How far from the city are these developments you want us to move into? Do you need a car to move out there? Lady, are you crazy? I am on public aid, how am I going to get a car? Is there any race trouble in these places? My boy is 13; I don't want him to have to worry about going out by himself and be beaten up by some white gang. How often can I see my family on the South Side?" It is not surprising that of the 40,000 families (30,000 CHA tenants and 10,000 applicants) approached, there were only about 500 takers (slightly over 1 percent).

And many of them could not be placed, because landlords were reluctant to take more than one or two such families into their developments, for fear of alienating the other tenants. The reluctance

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of these families (most of whom were receiving public assistance and many of whom were single mothers under 25 with several children) to move into distant suburbs was exceeded only by the uneasiness of the suburbanites about having them. Such families, or at least some of them, will someday be distributed throughout the suburbs, but no housing program could expect significant success by trying to place them there before the inflow of stable working-class or middle-class black families, who are more receptive to and more welcome in the suburbs. Yet beyond this well-meaning but misguided relocation of 260 black families, little has been done to provide housing for low- and moderate-income blacks in Chicago.

In the meantime, Polikoff, in the angry words of Eugene Blackmon, a black mortgage consultant, has become "a white man playing God" for the black community, the *de facto* arbiter of public housing and even private subsidized housing in the Chicago area. Federal officials must rule on the propriety of every application for building or subsidizing low-income housing, but they make virtually no decisions without consulting the *Gautreaux* lawyers. Polikoff had reached an agreement with HUD officials in Washington under which HUD expanded the restrictions of the *Gautreaux* case from conventional public housing to all programs of privately operated subsidized housing, the last chance of the poor for Federally aided housing. John Waner, former Chicago-area director of HUD, said that "before approving any Section-8 subsidies to proposed new private projects, we had to be damned sure that they were not in conflict with Polikoff's ideas. We were concerned that the new projects meet Polikoff's specifications, and we didn't approve a project without clearing with him at least informally." The agreement purportedly covered the use of Section-8 for new and rehabilitated housing construction and for additional assistance to existing, beleaguered 221-d-3 and 236 projects in "forbidden" areas. This extends the difficulty of providing housing for the plaintiff class.

Black community leaders originally thought the *Gautreaux* decision would be the answer to their prayers for better housing. But it isn't, and many black leaders are angry. Walt Marshall, formerly director of real-estate development for The Woodlawn Organization (TWO) commented: "There is no doubt in my mind that the *Gautreaux* decision and the steps that followed have virtually stopped all publicly subsidized, privately operated family housing in black areas of greatest need in Chicago." The Reverend Jesse Jackson of Operation PUSH agrees: "Housing conditions for black families in the ghetto have been kept at the status quo by the *Gautreaux* suit." The executive director of Operation PUSH, Bill Thurston, explains that the *Gautreaux* lawyers have ignored their plaintiffs' real needs and have gone galloping off in irrelevant directions. "At the time of the original suit, plaintiff attorneys were talking about providing housing in citywide areas," Thurston said. But during the case, the focus changed: "The original demand of the CHA tenants that they be given housing in white areas of the city has not been met by the

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suit—the metropolitan issue is a red herring. . . . On the face of it, the attorneys of the plaintiffs are attempting to achieve only one goal, that of achieving open housing in the suburbs. In so attempting, they are sacrificing the other, more important, goal, that of providing housing for black families. Consequently, what confronts Chicago is no longer a question of open housing or closed housing, but of no new housing at all for black people. We will not allow CHA, HUD, and the Polikoffs to confine the minority community to an ever-increasingly overcrowded, under-housed black ghetto."

For his part, Polikoff agrees that new public housing has been cut off by the *Gautreaux* rulings, but says he has been working to correct that trend. "We took steps to modify *Gautreaux*, to loosen up housing prospects in the black community," Polikoff said. There is "substantial room for agreement" in plans to build new housing in the black community, and he says he has always been willing to discuss housing projects with black leaders. He also denied John Waner's charge that every Federally funded development had to be cleared through him, and charges that the bottleneck for Federal housing funds is actually in Washington, not Chicago: "We are trying to modify this. The ball is in HUD's court."

Polikoff views the whole case differently from the black community leaders: "The problem we are obligated to deal with is not exclusively a problem of racial segregation. It includes class segregation—discrimination against poor people. Middle-class blacks encounter much less discrimination in housing—they have ready access to many Chicago suburbs. The problem the suburbs have to deal with is housing for the minority poor." But even in his defense, he disregards the problem of building more city housing for poor and moderate-income families, both black and white.

HOUSING for blacks in Chicago deteriorates daily, and pressure increases to build new housing in the "forbidden" zones of the city. The demographic picture has changed substantially since the *Gautreaux* suit was originally filed. Many more vacant sites are available for construction in all-black areas; there are more areas of black occupancy now than there were in 1966; and the proportion of blacks in Chicago has increased by about 10 percent.

Further, with the huge expansion of lower-income families in the suburbs, the number of eligible residents can easily fill up any suburban housing project. A study of subsidized housing projects in Washington, D.C., discovered that 80 percent of minority residents lived in the suburbs. We found the same pattern in the privately operated, publicly subsidized projects built between 1968 and 1973 in the Chicago suburbs ("Subsidized Housing in the Suburbs," *Planning*, September 1977).

Middle-income black families can move and have moved into many more city and suburban areas than before, but the shortage of decent housing persists for many black families, who continue to live in overcrowded, unhealthy, substandard dwellings, while razed

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areas multiply around them. At the same time, the number of black —and white—organizations and entrepreneurs willing and able to build housing in these areas has increased substantially in the last few years. In early October 1977, a group of black real-estate developers, mortgage bankers, and representatives from Operation PUSH, TWO, the Urban League, and other groups met privately to map a strategy for breaking through the barriers to new and rehabilitated housing that were created by the *Gautreaux* decision. These meetings are continuing, and there is some evidence of progress.

In the *Gautreaux* case, as in so many others where great national issues and complex social issues are confronted, the plaintiffs—the real people whose names are used for all the mountains of legal briefs and memoranda—are often lost in the shuffle. But it is instructive to recall every once in a while that the case was originally brought to meet the needs and dreams of the plaintiffs and not those of the lawyers, Businessmen for the Public Interest, the ACLU, or the Federal courts. But the *Gautreaux* remedy itself makes these needs and dreams unattainable. Neither the plaintiffs' lawyers nor Judge Austin nor even the Supreme Court gave much thought to the realities of the case or what the plaintiffs, named and unnamed, really wanted, needed, and had a right to: decent housing. The lawyers, particularly, wanted to achieve the vast, abstract goal of integrating housing in the entire Chicago area with a single legal stroke.

None but the most unrepentant racist would deny that integrated housing is a worthy goal to pursue, one that must be accomplished in time, with persistence and intelligence, and pursued by government at all levels. But in fact, racial integration is taking place in the suburbs as well as the city—though admittedly far too slowly—through various minority-housing placement bureaus, through the success of middle-class and working-class blacks who find housing through the ordinary real-estate channels, and even through privately operated, publicly subsidized housing projects developed under the 221-d-3 and 236 programs in the last 10 years. The main roadblock has been the lack of Federal, state, and local funds—and the lack of strong motivation on the part of government officials. Even President Carter's present urban program adds no hope for substantial progress.

Unfortunately, the approach taken in the *Gautreaux* case had all the subtlety of a sledgehammer—and none of its effectiveness. The decision was doomed almost from the start to provide no housing. As the housing situation in Chicago grows ever more intolerable, *Hills v. Gautreaux* begins to look more and more like *Jarndyce v. Jarndyce*. The lawyers have their briefs in the law books, but after a decade of litigation, their clients have nothing to show for it but a gold plaque.

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Why Government Grows (and Grows) in a Democracy

ALLAN H. MELTZER & SCOTT F. RICHARD

DEMOCRATIC government continues in relatively few countries, and mainly in the market economies of the world. Yet even in the United States, with a long history of coexistence between market freedom and political freedom, state intervention in the market has grown, and the size of government has grown. Growth of government is not a simple transfer of power from one group to another. Well-functioning markets disperse power; growth of government concentrates power.

No single, absolute measure summarizes the multi-dimensional term, "size of government." We have developed two measures of relative size. One compares the growth of government employment to the growth of the total labor force. The other compares the growth of tax payments to the growth of economic activity. The two measures show that the government has grown faster than the private sector throughout most of American history and give complementary evidence about the rates of growth.

Tax collections of the Federal government have increased at a compound annual rate of 6.4 percent since 1792. Subtracting the compound average annual rate of price change, to adjust for inflation, the average annual rate of growth of taxes has been 5.5 percent, in real terms. At this rate, the real size of taxes doubles about every 13 years.

We do not have reliable measures of private output dating from 1792, but we can infer that it has grown more slowly than taxes. For output or income to have grown at the same annual rate as real tax payments, 5.5 percent in real terms for 182 years, real output (GNP) in 1792 would have to have been about $80 million (in 1974 purchasing power). Per-capita GNP in 1792 would have been $20.00, much too low a number. We can be confident, therefore, that the average growth rate of government tax collections has been larger than that of real output for nearly two centuries.

The 5.5-percent annual growth rate of real tax collections has not been uniform throughout the period (as shown in the table on the next page). From 1792 to 1901, the average growth rate of real Federal tax collections (Federal taxes adjusted for inflation) was

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Compound Annual Rates of Growth of Government and Other Selected Measures[1]

Period	Taxes (Current Dollars) Federal	Taxes (Current Dollars) Total	Prices	Employment Federal Government	Employment Total Government	Real Gross National Product	Total Labor Force
1792-1974	6.40%	——[4]	0.9%[6]	——	——	——	——
1792-1821	4.87	——	0.3[6]	——	——	——	——
1821-1901	4.73	——	–0.3[6]	4.53%	——	——	——
1901-1974	9.54	8.08%[5]	2.69[7]	3.39	3.46%[8]	3.17%	1.62%[8]
1901-1929	7.12[3]	7.29[5]	2.62[7] (1.96[6])	3.21[3]	3.43[8]	3.20	2.06[8]
1929-1951[2]	13.70	9.59	2.42[7] (2.94[6])	6.88	3.40	2.92	1.26
1951-1974	6.81	7.58	3.03[7]	0.74	3.56	3.37	1.57

[1] Sources: For the period 1792-1929, *Historical Statistics of the United States,* Series Y241, p. 710 (1821-1929 only), Series Y254, p. 711 and Y384, p. 722; for the period 1929-1974, *Economic Report of the President* (February 1975), pp. 282, 328, 252, and 305; GNP deflator for the period 1901-1929 from *Long-Term Economic Growth,* pp. 200-201; Wholesale Price Index for the period 1792-1890 from *Historical Statistics,* Series E1, pp. 114-115; for the period 1890-1951, Series E13, pp. 115-116; Employment and Real GNP for the period 1901-1929, *Long Term Economic Growth,* pp. 166, 182, 236; for the period 1929-1974, *Economic Report of the President.*

[2] From *Economic Report of the President.*

[3] From *Historical Statistics.*

[4] Statistics for some years are not available.

[5] The starting year is 1902.

[6] Wholesale price index.

[7] GNP deflator.

[8] The starting year is 1899.

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about 4.75 percent, compounded annually. The comparable average growth rate for the 20th century has been nearly 7 percent. This century has included a period of acceleration, from 1929 to 1951, followed by deceleration, from 1951 to 1974.

The greater growth of the Federal government in this century reflects the changing distribution of activities among Federal, state, and local governments. The increase in total taxes to all levels of government, adjusted for inflation, has been 5.39 percent per annum (8.08 percent minus 2.69 percent) in this century, about the same rate of growth as that of Federal taxes during the entire history of the republic. In the last 25 years, the average growth rate of total real taxes has fallen to 4.55 percent (7.58 percent minus 3.03 percent). If we correct for the effects of inflation on the purchasing power of money and the effect of unanticipated inflation on the value of government bonds, as we should, the real tax burden may actually have increased in recent years, but we have avoided these complicated, though appropriate adjustments.

Real GNP rose at an average rate of 3.17 percent during this century while total real taxes increased 5.39 percent, so real taxes rose 1.7 times as fast as real output. During the years 1929-1951, which include the Depression, the New Deal, and World War II, the growth rate of total taxes paid to government, in dollars of constant purchasing power, rose to 7.17 percent (9.59 percent minus 2.42 percent). The average growth rate of output declined to 2.92 percent per annum, so government grew 2.4 times as fast as the private sector in that period. For the most recent quarter-century, the ratio of the growth of taxes to that of real output has fallen to 1.3.

The data in the table comparing the growth of government employment to that of the total labor force tell a very similar story. From 1821, the compound annual rate of growth for the Federal bureaucracy has been 4.5 percent. For this century, employment at all levels of government rose at a slightly lower rate, 3.5 percent. However, at this rate, the public sector grew more than twice as fast as the total labor force.

Two conclusions merit attention. First, both of these crude and not entirely accurate measures of the growth of government point to the same conclusion: Whether measured by tax share or employment share, the government has grown from 75 percent to 100 percent faster than the private sector during much of our history. Second, the relative share of government in the labor force is about half the share of output taken by government (as measured by the tax burden) for each period. At the turn of the century, when government employment was 4 percent of the total labor force, the tax share was 8 percent of output. In 1929, respective figures were 6 percent and 11 percent; in 1974, 15 percent and 32 percent.

If we extrapolate from the most recent rates of growth for the government sector and for output in the table, we can estimate the future tax burden and share of government in the labor force. By the year 2000, the government will take about 45 percent of GNP

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in taxes and employ about 25 percent of the labor force. In another 100 years, the government will take everything, all of GNP, in taxes. Although the government then will employ about 50 percent of the labor force, everyone in effect will "work" for the government.

Whether or not the government is "big" or "small" now, it will certainly be "big" in the future. If a majority believes that efficiency or freedom is sustained only if there is some private output and employment, there will be a growing consensus that government is "too big." Sometime in the future, the government will pass the point at which more voters regard the government as too large rather than too small—if not in the next 50 years, then in the next 75 years. Before the government takes all of the output in taxes and removes all incentive to work and save, a majority should favor reducing the growth of government.

THE present size of government is not the result of a few chance events. The relative growth of the public sector over two centuries has gone on too long and at too high a rate to be treated as a temporary phenomenon resulting from the New Deal, the Fair Deal, the Great Society, 19th-century populism, the income-tax amendment, the Vietnam war, or any other single event or program. Moreover, the growth of government has not been limited to the United States; any valid explanation must account for a similar trend in many other countries.

A currently popular explanation identifies the cold war and the threat of military confrontation as a reason for government growth. This argument was recently made by Arthur Schlesinger Jr. in *The Imperial Presidency,* although it can be found earlier in the radical press, and it is loosely connected with the Marxist notion that military spending is required for prosperity in the capitalist system. But this view cannot account for growth extending over two centuries or for increasing government size, power, and influence in most of Western Europe, where there are few signs of resurgent militarism. It is true that government grows in war time; it is not true that government requires a war to grow.

Moreover, Schlesinger's explanation lacks predictive power: Government continued to grow after military spending declined following Vietnam. A new super agency was recently created to concentrate control of energy and energy prices. New agencies (for consumer protection and education) and new powers for old agencies seem more likely than substantial deregulation.

AN explanation with more substance and greater appeal was offered by Joseph Schumpeter in *Capitalism, Socialism, and Democracy*. Schumpeter, like Marx, argued that capitalism would not survive; unlike Marx, he thought capitalism would be brought to an end by its successes, not its failures. One achievement of capitalism stressed by Schumpeter is material success: Capitalism produces goods more efficiently than other systems. Another success is the

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extension of freedom, which is more likely to thrive under capitalism than under other systems. Schumpeter went on to argue that such successes threaten the very set of institutions and social arrangements on which capitalism rests. The church, the bourgeois family, the dynastic ambitions of the capitalists, and the respect for privacy in private and public affairs—each of these institutions and arrangements is criticized, attacked, and weakly defended. Gradually, the old institutions are replaced by state agencies or institutions supported by public funds.

To Schumpeter's argument, we would add the observation that as more business is done with the state, relationships develop between government agencies and corporations. Within the business sector, groups develop that see their interests joined to those of the political bureaucracy. Although businessmen may for a time retain the rhetoric of hostility to "government," a growing number find reason to support the expansion of agencies and programs relevant to their interests.

A few corporations defend the market system publicly; most grumble silently, if at all. (Their shareholders did not intend to join a crusade by buying stock, and public-relations directors are sensitive to the difficulties that may arise from criticizing the government.) The corporations that lead the charge against "big government" bear a larger share of the cost than of any prospective gain. It is much less costly to cooperate—to work with, and even for, the regulatory agencies rather than to oppose them. By cooperating, the regulations can be made less onerous. There may even be a chance to squeeze out some small competitors, or to keep out potential entrants. The regulated thus become the regulators or the clients of the regulators. (A former senior official of the government, now a senior official of a respected firm, once remarked that one of the great advantages Europeans had in the 1960's was that the leaders of government and business could sit down together at lunch to decide what needed to be done—without going through a legislative process and without public scrutiny. Likewise, all the talk in business and government circles a few years ago about "Japan, Incorporated" revealed a belief that cooperation was the key to Japan's high rate of growth.)

Many of Schumpeter's arguments are appealing because many of his predictions have come true. Accurate forecasting is not so common in social science that we can cavalierly dismiss the theoretical argument from which the predictions arise. Yet Schumpeter's main premise now seems incorrect. If it is true that capitalism will be brought to an end by its successes, its breakdown and the consequent growth of government should be faster in rich nations than in poor. But this clearly is not the case. Most poor nations never accepted capitalism or even the market system. The fact that Hong Kong, Taiwan, Singapore, Japan, and Brazil have increased real income much more in the last 10 to 20 years than Sri Lanka, Egypt, or Syria has not raised demands for less regulation, smaller bu-

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reaucracies, less government control or influence, or smaller government. Moreover, in the United States, contrary to Schumpeter's premise, the government, on average, has grown faster than the private sector since the beginning of the republic.

A third explanation is that the growth of the state is fostered by the competition for votes and by the distribution of income. Elected officeholders and office seekers look for issues that attract and maintain a winning coalition. In their search for votes, candidates propose many more programs than they enact. Each member of the electorate compares the benefits he expects to receive from expanded government programs to the costs he expects to pay. Voters choose candidates who promise to act in their interest and reelect those who do.

With nearly universal suffrage, the median voter has less income than the average earner. The voter with an income below the median can gain if incomes above the average are taxed, and the benefits are distributed to himself and others.

Large government thus results from the difference between the distribution of votes and the distribution of income. Government grows when the franchise is extended to include more voters below the median income or when the growth of income provides revenues for increased redistribution. It is not necessary that everyone vote or that each voter fully perceive the effect of his vote on society. A voter need only choose the candidate who promises net benefits; majority rule does the rest.

The problem with such an argument is that it fails to explain why redistribution has not been greater or why government did not grow faster, sooner. Once there is universal suffrage, there is nothing to stop or slow redistribution; the poor could have confiscated and redistributed all the wealth long ago. Some costs have clearly been ignored in this argument.

Individuals work, save, and invest in market economies to receive after-tax benefits. High tax rates reduce incentives, thereby making untaxed leisure more attractive than labor, and current consumption more attractive than investment. Welfare payments, food stamps, and other types of redistribution discourage the least skilled from working. The smaller labor force and lower investment reduce current and future income.

Lower income is part of the cost society pays for redistribution. Everyone shares in the cost—those who gain most from redistribution and those who pay a disproportionate share of the taxes. Voters previously on the margin become net losers, when they must pay more in future income and in current and future taxes than the additional benefits are worth to them.

The reduction in future income need not be absolute, and voters need not recognize instantly that they bear the cost of redistribution. In fact, voters often complain about the taxes they pay, but continue to vote for candidates who favor new or expanded govern-

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ment programs. But periodic dissatisfaction with high taxes and sluggish growth, and support for tax cuts to increase incentives to work and save, will slow income redistribution and limit, but not end, the growth of government.

Periodic talk of a taxpayers' revolt will not stop government growth; talk is cheap when its marginal product is small. Taxpayers do not "revolt" in Western countries because, despite the rhetoric, a majority perceives net benefits from redistribution and votes for it.

Revolt is more common in less developed countries in Africa, Asia, or Latin America, where the "rich" often have (or had) a larger share of income and a smaller share of the votes than in more developed countries. If one political group does not redistribute income during its term in office, another will attract votes and take its place. Even if many voters recognize that high taxes on current income increase current consumption at the expense of investment and future income, the competition for votes makes it difficult for politicians to avoid promising to seek redistribution. Dictatorship, often with the support or under the control of the military, is a common way of ending this open competition for votes.

GOVERNMENT continues to grow because there is a decisive difference between the political process and the market process. The market produces a distribution of income that is less equal than the distribution of votes. Consequently, those with the lowest income use the political process to increase their income. Politicians have an incentive to attract voters with incomes near the median by offering benefits that impose a net cost on those with incomes above the median. The redistributive programs offered vary from place to place and time to time, as the composition of the electorate changes. But as long as the disincentive to work, save, and invest does not lower future income enough to turn the expected gain into a loss, support for redistribution will continue.

In most Western countries, property or status requirements for voting have been abolished during the last hundred years. Extension of the franchise is always in the interest of voters with incomes below the median because the spread of the franchise increases the number and proportion of voters who favor redistribution. As the franchise spreads downward through the income distribution, the proportion of votes going to candidates who promise redistribution increases. Progressive taxes increase the gain to the majority by taking a larger fraction of income from voters with incomes above the median to pay for programs like health care, which is available to everyone, or housing allowances, which go mainly to voters with incomes below the median. But if high taxes reduce incentives greatly, income is lowered, the size of net benefits from redistribution declines, and there is an increase in the number of voters favoring lower tax rates and smaller government.

This description of the political process as a rational process, in which voters compare benefits and costs, differs from many current

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explanations that place responsibility on the bureaucracy or on a coalition of career bureaucrats and elected officials. In such accounts, the bureaucracy plays the role monopoly or advertising play in vulgar explanations of the market process. Supposedly, the public is consistently misled in the market place into buying products they do not want, and in the voting booth into voting for candidates who promise to reduce taxes, but instead work to increase them. Somehow the public never anticipates the growth of bureaucracy and the cost of programs and never learns that the costs of redistribution must be paid.

We have offered a different explanation. Though we are convinced that government is too large and too powerful, we do not believe that government has accidentally grown faster than the private sector throughout most of our history. Nor do we believe that a majority of voters can be convinced to reduce the size of government unless each of them can be convinced that it is in his interest and worth his individual vote to do so.

The size of government is often treated as a moral question or an emotional issue. Men grow passionate, and properly so, when they believe that freedom is threatened. Although large government poses a threat to many of our freedoms, government grows in every society where the majority remains free to express its will.

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CURRENT READING

Energy Use in Industrial Societies

Since the OPEC oil embargo of 1973, discussions of American energy use have frequently employed metaphors of physical excess, especially references to the fifth Deadly Sin, gluttony. The basis for the charge of overconsumption is that the United States uses considerably more energy than do most other industrial nations. By the most common measurement—a comparison of energy consumed to gross domestic product (GDP) per capita—Americans appear a wanton lot, while other nations, if not Spartan, at least appear restrained. "Beautiful, peaceful, democratic Denmark uses 48 percent as much energy per capita as we do," writes ecologist Paul Ehrlich. The assumption is that since Western European nations, Canada, Japan, and the United States are all developed industrial nations, their energy/GDP ratios should be roughly similar. It is but a small jump from there to the conclusion that if one nation consumes considerably more energy than another to generate a roughly similar gross domestic product per capita, the difference in energy used has been energy wasted.

But is this really true? More importantly, should American policy proceed from the assumption that industrialized countries with low energy/GDP ratios are always suitable models for the United States? In *How Industrial Societies Use Energy* (Johns Hopkins University Press), the associates of Resources for the Future's Center for Energy Policy Research, Joel Darmstadter, Joy Dunkerley, and Jack Alterman, examine economic, social, geographical, and cultural factors affecting energy use, and counsel against too facile comparisons of national consumption. The authors select for comparison nine countries: six with large economies (the United States, Japan, West Germany, France, the United Kingdom, and Italy), a small country (the Netherlands), a geographically large country (Canada), and a country with considerable hydroelectric power (Sweden). Their study then contrasts consumption within major sectors of energy use: the household-commercial, which includes homes, schools, restaurants, offices, and the like; the transport sector; and the industrial sector. Losses incurred in transforming energy resources into electricity, and non-energy uses of petrochemicals, such as grease, asphalt, and road oil, are also discussed. Thanks to these subdivisions, the reader is better able to understand the factors involved in the United States' higher overall energy consumption.

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> This higher consumption relative to GDP [in the United States], then, affects all sectors, but it affects some much more than others. For example, consumption in the transport sector relative to GDP is particularly high in the United States and Canada compared with the other countries. . . . Taking U.S. consumption of energy in transport as equal to 100, all other countries (except Canada) are very much lower—between one-third and one-half of U.S. levels. In the other major sectors the differences between U.S. consumption and that of other countries is more mixed. In industry (excluding the energy industries) the variability is quite narrow. The unweighted average of industrial energy consumption relative to GDP in the Western European countries and Japan is only some 10 percent below U.S. levels. In the remaining sectors—household-commercial and transformation—some countries are very close to U.S. levels, although the variation between countries is somewhat greater than in the industrial sector. Consumption in these sectors relative to GDP averages some 25 percent below that of the United States.

Two important factors in our high level of energy consumption in the transport sector are the comparatively low population density of the United States and, what is to some extent a result of this, a less well-developed public transportation system. In addition, Americans travel on the average some two-and-a-half times as much as Western Europeans, in what are considerably less energy-efficient automobiles.

The United States and Canada also lead the list of household-commercial energy consumers, in large part because of the nature of their housing stock, which, to a far greater degree than that of other countries, consists of large, single-family dwellings. The average room temperature in the United States is, of course, higher than in Europe, and there is more heating of unoccupied rooms by people used to central heating. Energy consumption in Japanese households is far below that of Europe or the United States, and the example of Japan is revealing of the interrelationship of energy consumption with cultural variables:

> Houses [in Japan] are typically built of wood and paper designed to minimize the discomforts of hot wet summers. Many houses do not have bathrooms, with people relying instead on public baths. . . . Rooms are used in a different way, with a single room being used by all family members for dining, watching television, and entertaining friends. Such houses tend to be very economical in the use of heating fuels. Until recently the charcoal heater, which is no doubt still used in some parts of the country, and which burns a non-commercial fuel not included in our data, was the principal facility for heating. It has now been replaced by the small, portable kerosene heater.

The United States also consumes the most energy for household purposes other than heating, largely because of our greater consumption of hot water and the use of appliances, such as dishwashers and freezers, not common in Europe. Japan, which has more appliances per

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100 households than Europe, also uses more energy. Small electric kitchen gadgetry is of little importance, according to the study.

In their chapter on industrial use, the authors refrain from general statements concerning the causes of the comparatively high rate of industrial energy consumption in the United States. (Only Canada uses more industrial energy relative to GDP.) Yet, broadly speaking, the factors that affect industrial energy use appear to be the lower price of energy in the United States, compared with Europe; less energy-efficient machinery, in part because of older machinery or manufacturing processes; the relatively greater use of energy for process and space heating; and possibly some substitution of energy for labor in the United States to achieve the same output. The authors stress, however, that a relatively higher energy intensity does not necessarily suggest lower overall industrial efficiency.

The study also analyses the extent to which variations in energy/GDP ratios result from differences among nations in the kinds and relative quantities of specific goods and services they produce. The energy/GDP ratios of France, West Germany, Italy, the United Kingdom, and Japan are, on average, 43 percent below the level of the United States. But the authors determine that 18.5 percentage points, or 43.3 percent of the total difference in ratios, are due to variations in the mix of final goods and services, and 10.5 percentage points, or 24.4 percent of the total difference, are attributable to the portion of our final mix that goes for purchases of "direct energy" for automobiles and home heating.

The authors are by no means complacent about American energy conservation, and they present several suggestions for cutting energy use. Yet they reject as simplistic the notion that Europeans are guided by some energy-conservation ethic Americans lack. Furthermore, they argue that American energy policy should not become "too much transfixed by a foreign yardstick that, although intermittently revealing, can also be illusory." For such broad measures as energy/GDP ratios cannot adequately reflect the significant national characteristics, such as greater American suburbanization, mobility, and single-family housing, with which any successful energy policy must deal:

> Whatever their origins, some of these features have become such firmly established elements in American society that it would be unrealistic to expect dramatic change or reversal—even in a new energy-price era. Viewed in this way, in numerous of its aspects, energy consumption is essentially a by-product or, at best, only one element within the wider framework of societal arrangements and choices.

—Michael Andrew Scully

Mothers Without Husbands

Higher divorce rates have brought in their wake a sharp increase in the number of families headed by women, and an even more dra-

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matic rise in the number of children in fatherless homes. In an article in *Monthly Labor Review* (February 1978), Beverly L. Johnson examined the situation of women who head families:

> The 1970's have seen a tremendous increase in the number of American families in which women have the main economic and social responsibilities. By March 1977, the number of families headed by women reached 7.7 million, the highest level ever recorded. . . . Nearly one of every seven families was headed by a woman and well over half of these women were in the labor force.
>
> Families headed by women are of special concern because they are more likely than husband-wife families to have children under age 18 and to have very low incomes. In 1976, one out of every three of these families was living below the officially defined poverty level, compared with only one of 18 husband-wife families. Families headed by women were also more likely to live in central cities, to rent rather than own their homes, and to reside in public housing.
>
> The 1.5 million families maintained by men who had never been married or had become separated, divorced, or widowed rarely faced the economic difficulties encountered by families headed by women. Only one of nine families headed by a man without a wife present was living below the poverty level in 1976. In March 1977, only one third of these families had children under age 18, a much smaller proportion than for other types of families.
>
> The phenomenal increase in the number of divorced women has been the most prominent factor in the accelerated growth of families headed by women. Since 1970, divorced women have accounted for three fifths of the total increase. The rise in the divorce rate during the decade has been unprecedented, climbing to 5.1 per 1,000 population in April 1977. From 1950 to 1970, the rate of divorce rose from 2.6 to 3.6 per 1,000 population.
>
> Historically, widows have accounted for the largest proportion of women who head families. In 1970, their share was twice that of divorced women. Since then, however, their share has been dropping sharply, while that of divorced women has been rising steadily.
>
> Also contributing to the rise in families headed by women is the increasing number and proportion of never-married women who head families. Since 1970, the proportion of women who remain single until their early twenties has increased by one third. Several recent studies have noted a greater tendency among young women to postpone marriage, even if pregnant. It was found that well over half of the single pregnant women who contact social service agencies decide to keep their babies rather than give them up for adoption. Moreover, never-married women are more likely than ever before to adopt children. As a result of these and other developments, about one fifth of the increase since 1970 in the number of women who head families was among women who had never been married. . . .
>
> Another factor contributing to the younger average age of women family heads is the ever-increasing proportion who are black. Black women heading families are much younger than their white counter-

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parts. Since 1970, nearly two fifths of the increase in the number of women heading families has been among these younger black women. The marital composition of the white and black women who head families is also strikingly different. White women were more likely to be divorced or widows; black women were more likely to be separated or to have never been married. . . .

Along with the rise in the number of families headed by women, there has been an extraordinary increase in the total number of children in these families. By March 1977, one of six children in the United States was living in a family with no father present, compared with one of 10 in March 1970. Over a third of the children in these single-parent homes were members of families headed by black women. As expected, the proportions of families headed by women with children were highest for divorced and separated women, lower for never-married women, and lowest for widows.

Black children were more likely than white children to have a never-married mother, perhaps reflecting the difficulty in finding foster homes or adoption prospects for black children. Since 1970, however, the proportion of never-married mothers heading families has grown for both white and black women—a trend that seems likely to continue, at least for the next few years.

Beyond Nature-Nurture?

Science (March 3, 1978) described a disturbance at a meeting of the American Association for the Advancement of Science (AAAS):

Styles of protest at AAAS meetings have changed since the turbulent times of the late 1960's and early 1970's, but this year's meeting saw brief revivals of older forms with picketing by opponents of nuclear power and an assault on the rostrum by critics of sociobiology in which Harvard's Edward O. Wilson was the target of a water-throwing episode.

The latter incident occurred on the afternoon of Wednesday, 15 February, during the final session of a two-day program, titled "Beyond Nature-Nurture," devoted to a discussion of sociobiology. A group of protesters identified with the International Committee Against Racism trooped up to the dais as Wilson was being introduced chanting uncomplimentary things about sociobiology and Wilson, whose book *Sociobiology* won broad public attention and has stimulated considerable controversy.

During the confusion, Wilson was doused with water. The panel moderator invoked the AAAS rule that permits protesters to speak on condition that the meeting then continue. By this time, however, the audience was in an uproar, and it took several minutes for order to return. The moderator then made an apology to Wilson and his co-panelists which prompted a standing ovation from the audience. Whereupon Wilson, who had to take all of this sitting down because his ankle was in a cast, proceeded with his paper on "Trends in Sociobiological Research."

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A Letter from Sweden

A Swedish correspondent has written *The Public Interest* about the current situation in his country and the Swedish parliament's decisiveness in the face of adversity:

> Sweden is nowadays a most peculiar country—or rather its political leaders seem to look at our problems from a strange angle. Last year parliament made two decisions that stirred up a lot of debate. First, it determined that Swedes could not be trusted with a beer that has the same alcoholic content as the beer that other Europeans and Americans can freely buy in their supermarkets. Production of this beer was prohibited, and instead we were offered a "people's beer," weaker and uninteresting. Secondly, a Swede's right to make wine out of fruits and berries with the aid of certain added ingredients was abolished. Parliament also passed a law forbidding the production of wine from dandelions! In the eyes of the ordinary citizen, the Swedish parliament seems to have its priorities a bit lopsided. He believes there are more important issues to deal with in Sweden right now.
>
> Maybe this massive interest in what Swedes drink is due to a fear on the part of the politicians that our tax burden might drive us towards alcoholism. All Swedes, political parties, trade unions, and similar groups, are clamouring for a more just tax system. Interestingly enough, a "just" system means a tax structure that reduces taxes more for one's own group than for the others.
>
> The social-democratic government, when in power, always refused to introduce a system whereby the impact of inflation on individual income tax was avoided by the income-tax brackets being raised by the same percentage as the consumer price index. This would, according to the logic of the social democrats, give high-income groups a larger "tax reduction" than the ordinary wage earner. The consequence of this argument is, of course, that the government should never fight inflation—and on no account attempt to *lower* prices—as this must benefit higher income groups.
>
> Instead of introducing an automatic indexation of income tax brackets, the old—social-democratic—government chose to let parliament vote an annual "restructuring" of the income tax. By coincidence, the direct income tax in this way was reduced only for wage earners with an income up to $10,600—the income of the average industrial worker in Sweden. During the period 1965-1975, *real wages after tax* for the average industrial worker rose by 0.7 percent annually. For the assistant professor at the university it decreased by 3 percent each year!
>
> The average industrial worker now pays around 36 percent of his income in tax. And his marginal tax—i.e., the tax to be paid on the extra $100 he earns—is almost 70 percent. That our tax "system" (it is almost an offense to this excellent term to call our tax laws a system) is untenable, is shown by the increasing barter agreements in our economy. A dentist fills the artist's teeth and gets a picture in return; and the usual question from a carpenter or plumber is: "Do you want to have a receipt or not?" In the latter case you pay half the fee.

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To bring home the foolishness of our tax structure I will give you three more examples: a) In order to give a net increase after tax that corresponds to an increase in productivity, the employer would have to pay out a gross increase in wages of four times the productivity increase (because of the resulting increase in payroll tax, social security tax, etc.); b) a man with 3 children, earning $19,150 a year, will lose only $850 in after-tax income by working half-time; c) the *average* top executive salary in a $20-million company in Sweden is $51,064. After taxes, an average of $17,446 remains.

Swedish executives, who in 1974 saw the highest profits since the Korean war, have become extremely pessimistic. During 1976 and 1977, the Stock Exchange has noted a record low for net yield on shareholders equity. For the 100 corporations quoted on the Stockholm Stock Exchange, total net profits in 1977 will be only 5 percent of the 1974 figure: Yield on equity after taxes in 1977 will probably stop at between one-half of 1 percent and 1 percent!

The Swedes are less interested in raising families. In 1977 the number of births fell to 11.6 for every 1,000 inhabitants, the lowest figure since we started our population statistics in the beginning of the 18th century. The pill, free abortions, the growing number of women in the active labor force, and a general "malaise" are the factors behind this trend. We can now foresee a reduction in our population toward the year 2000, unless immigration is increased or we get a complete change of attitude among the young.

Add to this that in Stockholm only seven out of 100 burglaries are solved and that Stockholm now ranks first in the number of armed robberies against banks. (Hamburg, with three times Stockholm's population, ranks second.) Now you may understand why I think parliament should be able to find larger concerns than Swedish drinking habits.

The University, Politics, and Intellectuals

In an article in *Comparative Politics* (October 1977), Raymond Boudon discussed the effects on French universities of the 1968 student revolt and of subsequent changes in the university structure:

> The effort of the 1968 reformers to stimulate higher levels of student participation in the universities was naturally linked to their desire to democratize the system. It was necessary first to encourage the admission of students from modest backgrounds and, second, to involve students in the making of decisions concerning them. On the first point, the "natural" logic of the demand for education, in addition to the apparently effective redistributive measure, have contributed to a lowering of the social origins of French university students. On the second point, probably due to a lack of clear objectives during their university careers resulting from the obligations imposed upon them, students have little interest in university governance. Thus the reformers who initiated the mechanisms of participation fostered politicization at the expense of participation. As soon as nominations for

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offices were subject to elections, a process of politicization was inevitable; theoretically, this process might have been a constructive one and could have attained a more than symbolic significance. But this was possible only if students felt "integrated" into university institutions and demonstrated a direct interest in voting. This necessary condition was not met and it was inevitable that political organizations outside the university would benefit most by the process of politicization which would provide them with a legal foothold there. Each year political groups work to get as many of their members as possible elected to the numerous student delegate offices at various levels of university government. As a result of this and taking into account the general indifference of students, the universities are becoming political states. Because of low voter turnout, a university where group X obtains 60 percent of student seats in the various student councils will take on the political image of that group. Once this image is well established it will annually attract students who have an affinity for it. Thus we have white, pink, and red universities. Guidebooks drawing their inspiration from handy restaurant guides are widely circulated in periodical literature. Ratings are provided in order to help students choose among universities described primarily in political terms. Recently the walls of the *lycées* were littered with posters attempting to estimate the percentage of "red" teachers in Parisian universities. This information was presented in the form of a white (red) circle with a red (white) portion of the surface corresponding to the percentage of reds (whites).

Politicization naturally spreads to the faculty. Union organizations can occasionally intervene decisively to further the careers of junior faculty members; these unions enjoy success similar to that of "voluntary" organizations capable of offering their members collective benefits (their primary function) and some "selective incentives" such as job security, promotions, and legal and social aid services. The traditional presence of union organizations in the university was further encouraged by a structural change in the teaching body. Various factors have contributed to this evolution: an increase in the demand for higher education from 1960 on; a consensus on the necessity of improving teacher-student ratios; the substitution of work in small groups for large lecture courses. These factors have led to a rapid rise in the number of junior faculty *(assistants* and *maître assistants)* in absolute terms as well as in relation to the professorial staff.

A brief word is necessary on this important point. It seems that the disorganization of the university has led a large and probably growing number of academics (when their background and field made it possible) to seek the meaning of their research and the source of their social gratification, not in their fragmented professional surroundings, but rather in an environment transcending barriers between fields and bringing together those who share similar backgrounds and identical interests in general problems. I am referring here to the intellectual circles and, more specifically, to Parisian intellectuals. In short, it seems that the disorganization of the universities gave new impetus to Parisian intellectual life. After 1968 many philosophers (in the

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sense of "specialists of philosophy") who, before the 1968 university crisis, were known for their erudite work on the history of philosophy, began to work in new areas that are closer to what Benda called Byzantine literature than to scientific or philosophical research. This work is characterized by a taste for tenuous and shattering hypotheses, obscurity, the cult of an esoteric and personal style, hasty and premature syntheses, the refusal to use common sense described as an epistemological breakdown or a lack of reasoning, and vaticination. The model that many of these converts try to emulate is probably that of a simplified Heidegger.

The same phenomenon manifested itself among many intellectuals who before 1968 specialized in social sciences and economics. Discarding their econometric models and sociological research which had gained great importance after 1950 and had undoubtedly contributed to a better understanding of French society, economists and sociologists have shifted to "philosophical" essays and gross, tenuous, premature syntheses. Here the model emulated is Marshall McLuhan's.

Political Insecurity?

In "Social Security Wealth: The Impact of Alternative Inflation Adjustments," a working paper for the National Bureau of Economic Research, Harvard professors Martin Feldstein and Anthony Pellechio discuss the possible erosion of public support for the Social Security system:

Net social security wealth is actually negative for families aged 25 to 34. These individuals and couples can expect to pay more in social security taxes than they receive in benefits (when both are discounted to their present value). Note that this is true at every income level over $6,000. Since these individuals have already paid considerable taxes, this represents a substantial understatement of their net lifetime loss because of the social security program.

The negative net social security wealth of young families has an important implication about the future social security program. If the current relation between benefits and taxes were to remain unchanged, each new generation would find that its initial net social security wealth was negative. That is, each generation would pay taxes with a greater present value than the benefits it received. . . .

Because the number of retirees will grow more rapidly than the number of workers, the ratio of taxes to wages must rise relative to the ratio of benefits to wages. This in turn means that the net social security wealth of each new generation will be even more negative.

The net social security wealth has potentially important political implications for the social security program. Anyone with a negative net social security wealth could gain from a contraction of the social security program. There are now some 150 million adults of voting age in the United States. Of these, approximately 50 million have negative net social security wealth. The older groups have positive net social security wealth because they are closer to receiving benefits and

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have fewer taxpaying years left. Although each generation may lose over its lifetime because of the social security program, the distribution of net social security wealth is currently capable of maintaining and expanding the social security program. However, the changing demographic structure will increase the fraction of the population with negative net social security wealth and could thereby weaken the political support of the program. If, for example, net social security wealth only became positive at age 45, a majority of the voting age population would have negative social security wealth. The changing demography and the resulting deterioration of the tax-benefit ratio therefore poses a serious threat to the ability of the program to go on paying the promised benefits in the future.

Thanks, but No Thanks

Eliot Marshall, writing in *The New Republic* (March 25, 1978), described a quarrel in a Queens, New York, school district whose local school board refused Federal money:

> Mrs. Lee Goldman, a former president of the District 26 school board and one of the current members who voted to refuse the grant, said she didn't like it because it was "an insult to our community." The city had asked the board to apply for 50 jobs for its students under the Youth Employment Demonstration Program Act, an emergency plan to give jobs to city dwellers. It is part of President Carter's campaign to reduce teen-age unemployment, and it was sped into existence by the looting that took place in New York last summer. Mrs. Goldman and others took offense because the city asked the district in a high-handed way to sign off on a program that seemed to "discriminate against middle-class children." According to Goldman, much of the money was to be given to adult coordinators and consultants of various kinds. And the guidelines set down by the Federal government were niggling, and arbitrary. Half the jobs had to go to males and half to females. All participants were to be "economically disadvantaged," which means, in the mechanistic logic of the system, that they had to be eligible for a free lunch at school. To get a free lunch, you must belong to a family of four members with a total income of $7,000 or less. At least 15 percent of the kids were required to have "limited English-speaking ability"; 40 percent were to be "potential dropouts"; 10 percent "youthful offenders"; 12 percent mentally, physically, or otherwise handicapped; and 5 percent were to be mentally retarded.

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